

BAGGIO SAVES ITALY AGAINST CHILE



Herald Tribune

INTERNATIONAL



TODAY:
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Wonders of Bergamo, Page 10

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NATO Plans Air Activity As Warning To Milosevic

Mock Attacks Ordered Over Macedonia and Albania to Deter Serbs

By William Drozdiak
Washington Post Service

BRUSSELS — The defense ministers of NATO ordered allied military authorities Thursday to conduct air exercises over Albania and Macedonia in a bid to escalate pressure on the Yugoslav president, Slobodan Milosevic, to halt an offensive against ethnic Albanians in Serbia's Kosovo Province.

The show of air power, which could start within days, is intended to provide a vivid demonstration of the alliance's capability to project power into the region, while avoiding the fateful step of

direct Western military intervention in another Balkan conflict.

"Milosevic has gone beyond the limits of tolerable behavior," said the NATO secretary-general, Javier Solana. "We are showing that we are willing to back up international diplomacy with military means."

Mr. Solana said the ministers would also ask military planners to draw up detailed future options with three goals in mind: to prevent the violent expulsion of refugees, to bring about a cessation of violence, and the disengagement of armed forces, and to encourage serious negotiations toward a lasting solution.

After reviewing what has evolved into Europe's worst security challenge since the 1992-95 Bosnian conflict, the ministers expressed grave concern that the situation in Serbia's southern province of Kosovo had "deteriorated seriously in recent days" because of what they described as a "new level of violence" by the Serbs' forces.

More than 300 people have been killed and an estimated 20,000 refugees have fled since the Serbs launched a crackdown in February against ethnic Albanians, who represent 90 percent of Kosovo's population.

The ministers called for a political solution that would end the violence, protect civil rights of all ethnic groups and restore autonomy to local Albanians while preserving the territorial integrity of Yugoslavia — which now comprises only Serbia and Montenegro.

The decision to begin air exercises came amid a flurry of diplomacy and

See NATO, Page 12



A currency trader bidding in Tokyo on Thursday as the yen plunged.

Gloom Hangs Over Tokyo and Bangkok

Even if Japan moves to reverse the economic slide, the yen is still headed down, economists say. And if the economy contracts again, recession will be the watchword. Page 17.

In Washington, Thai officials received praise and assistance from the International Monetary Fund, but in Bangkok, stocks dropped to their lowest levels in a decade. Page 21.

Asia's Slide Gathers Pace Extent of Crisis Has Surprised Even Pessimists

By Mark Landler
New York Times Service

HONG KONG — It has been close to a year since Thailand devalued its currency, igniting a financial firestorm that has spread across Asia. Now, far from recovering, Asia's economies may be heading into an even more dizzying downward spiral.

In dismal succession over the past two weeks, Hong Kong, Malaysia and Indonesia confirmed that their economies shrank in the first quarter of 1998, and were likely to keep shrinking for the rest of the year. Japan, South Korea and Thailand are also contracting, and even the few countries that have managed to keep growing — Tai-

wan, the Philippines, Singapore and China — are slowing to a crawl.

The Asian financial crisis is mutating into the most serious regional recession since World War II.

By itself, a recession would not be a surprise. Last year's crashing currencies and stock markets were bound to drag down Asia's fundamental economic performance. A recession, which would be declared officially after two consecutive quarters of contraction, was expected and is almost certainly under way. But the depth of the downturn, the difficulty of a recovery, and the gloom that suffuses the region has surprised even the pessimists.

"We're in for a really hard time," said Richard Margolis, a regional econ-

omist at Merrill Lynch & Co. in Hong Kong. "Wherever you look around the region, you don't find a lot to be cheerful about. There is a general pall hanging over Asia, which doesn't help consumer confidence."

The culprit for this latest flare-up of Asian angst is the Japanese yen, which has plummeted against the U.S. dollar and put enormous pressure on other Asian currencies. The yen is at an eight-year low against the dollar. Stock markets throughout Asia have plunged to their lowest levels in years. In Bangkok, where the crisis began, the Stock Exchange of Thailand closed Thursday at a 10-year low.

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Japan Told to Fix Itself

Rubin Says Tokyo Must Bolster the Yen

By Brian Knowlton
International Herald Tribune

WASHINGTON — Treasury Secretary Robert Rubin said Thursday that the United States shared concern about the weakening yen because of its "implications for economic recovery in Asia," but added that it was up to Japan to restore its underlying economic strength.

His comments were underscored by an urgent new call from China for Japan, a key trading partner, to put its economic house in order. A Foreign Ministry spokesman said China would maintain its policy of not devaluing its own currency, the yuan, which is also under growing pressure.

Mr. Rubin at first suggested, in com-

ments before a Senate committee, that there would be no U.S. intervention to bolster the yen, causing the Japanese currency to drop to an eight-year low of nearly 144 to the dollar.

Informed of that drop, Mr. Rubin amended his testimony to say that intervention remained an option, but the revised comments did little to dent the dollar's rally against the yen.

The dollar closed in New York at 143.98 yen, up from 141.58 yen Wednesday and compared with 135.5 yen just a month ago.

"The weakness of the yen reflects the economic conditions in Japan, and can only be remedied by restoring economic strength in Japan," Mr. Rubin told the Senate Finance Committee.

"Most troubling," Mr. Rubin said, "the Japanese economy still fails to show signs of recovery, and Japan's economic difficulties and weak currency are having substantial adverse

See RUBIN, Page 12

Indonesian Army Backs Reforms

But It Warns of Crackdown if Demonstrations Get Out of Hand

By Seth Mydans
New York Times Service

JAKARTA — Indonesia's powerful military affirmed its backing Thursday for the reform movement that is spreading new freedoms through the country but warned that it would crack down if demonstrations and protests get out of hand.

At a news conference, the defense minister and armed forces chief, General Wiranto, also asserted his support for the new administration of President B.J. Habibie and urged people to be patient and allow it to pursue reforms.

General Wiranto said he had ordered the military to watch over the reforms — which include a proliferation of political parties, a free press, labor activism and student demonstrations — to keep them from running out of control and destabilizing the nation.

"Many countries were able to start reform but unable to end the process properly, as happened with the Soviet Union with its glasnost and perestroika movement," General Wiranto said. "The armed forces will use the authority with which they are vested to take part in safeguarding and controlling the reform movement."

As one example of this, armed soldiers stood by but did not intervene Thursday as some 4,000 students demonstrated outside the locked gates of the Parliament building, where their five-day sit-in last month helped to bring down former President Suharto.

The paradox of freedom and threat was evident Thursday on the city's streets, where jubilant protesters waved flags from the tops of buses and shouted abuse at the government while soldiers in battle fatigues held their assault rifles at the ready but took no action. In the disputed

See INDONESIA, Page 12

World Cup Ticket Seekers Bought Seats of Thin Air

By Mary Jordan
and Anne Swardson
Washington Post Service

Just hours before Michiyo Ishii was to head to the Tokyo airport Thursday to fly to France, she got a rude shock. Her travel agent phoned at 1 A.M. and told her that even though she had paid \$4,000 to go to France to see the World Cup, her promised soccer match tickets had vanished.

The whole point of joining the special World Cup travel tour was for Miss Ishii to cheer on Japan's team, not to see the Eiffel Tower, and the travel agent told her that the trip was canceled.

"I still can't believe that this happened to me," said the 34-year-old advertising executive in a telephone interview from her home, where she spent much of the day in bed and in shock, her bags still packed. "I am disappointed and irritated and angry, but for the moment I am mostly numb."

So are about 10,000 other Japanese soccer fans, and, according to French press reports, hundreds and perhaps thousands of fans from Brazil, Scotland and the Netherlands who just found out

that the tickets they paid a great deal of money for apparently do not exist.

Finger-pointing and considerable confusion reigned on Thursday in a kind of soccer ticket twilight zone as French organizers meticulously denied any malfeasance on their part. Tour operators also seemed to fall under sus-

picion, and there were unconfirmed reports that a French police inquiry had been launched to determine whether mistaken overbooking or fraud was involved.

About 700 Brazilian fans did not receive tickets they had ordered for Wednesday's game between Brazil and Scotland. According to various reports, 12,000 Dutch residents who thought they had bought tickets did not receive them. And one report told of police rushing to one Paris hotel to quell a

See TICKETS, Page 25



Marcelo Salas of Chile heading a goal past Fabio Cannavaro of Italy in a 2-2 draw Thursday. Cameroon and Austria also drew, 1-1. Page 24.

French Workaholics Beware: The Law Is Moving In

By Joseph Fitchett
International Herald Tribune

PARIS — A task force of engineers and team leaders who were trying hard to complete a highly competitive electronics contract were startled to see French job inspectors abruptly appear in their midst shortly after 7 o'clock one evening early this year.

What are your names and why are you working late?

Ignoring protests about their intrusion, several inspectors insisted on putting the same questions to corporate executives who were meeting with a po-

tential customer in nearby offices, according to an anonymous pamphlet that circulated after the raid on the headquarters in suburban Paris of Alcatel-TITAN Answare, a subsidiary of Alcatel, France's giant telecommunications manufacturer.

It is one of several prominent French companies that have been raided by job inspectors bent on stopping executives and top-salaried specialists from working longer hours than the official 39-hour workweek — in effect, doing unpaid overtime as executives.

In addition to snap inspections, investigators have staked out plants' parking lots to photograph license plates and document that the cars' owners are spending

too much time in their offices. Once considered business as usual, the practice among managerial-rank employees of working long hours if needed to get the job done has become a violation of French labor law.

Welcome to the hottest front in the long-running wars of the 35-hour workweek decreed by France's Socialist-led government.

Even though the idea is bitterly opposed by business, the government has expanded the plan for shorter hours beyond factory and white-collar wage-earners to include salaried employees known in French as

See FRANCE, Page 12

U.S. Business Wary When Republicans Play Politics

By Thomas B. Edsall
Washington Post Service

WASHINGTON — Major corporations and trade associations are increasingly angry at Republican congressional leaders they see as determined to accommodate the Christian right by adding abortion and religious amendments to foreign policy bills and to refine a scandal over satellite-launching technology for China, both issues at the expense of business.

Some business leaders are threatening to pull the plug on the huge corporate political cash flow to the Republicans, which helped the party stay in power two years ago.

Corporate giving has gone from favoring House Democrats in 1992 to

Clinton widens his defense of his upcoming visit to Beijing. Page 5.

favoring the Republicans in 1996: an overwhelming \$36.5 million for House Republicans and just \$16.2 million for Democrats.

Business cannot look to the Republican Party as a reliable ally, contend Charles Mack and Bernadette Budde of the Business-Industry Political Action Committee, an organization that makes recommendations to corporate political action committees.

They wrote to their members: "We can no longer restrict ourselves to one or two political options in our quest to assure a genuinely and reliably business majority in Congress."

"The business community never expected a Republican Congress to advance isolationism and advance the use of unilateral sanctions," said Bruce Josten, senior vice president of the U.S. Chamber of Commerce.

The corporate leaders say that social conservatives and the religious right have pushed the Republican leadership into positions that threaten U.S. competitiveness in perhaps the most important growing overseas market — China — and that endanger U.S. interests in other key foreign markets through sanctions against countries charged with religious persecution.

In addition, the Republican House is holding up an \$18 billion U.S. contribution to the International Monetary Fund, money that both the administration and many large exporters consider crucial to maintaining a semblance of economic stability in Russia, Japan and various parts of Asia.

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Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Arabia	12.50 FF	Morocco	16 Dh
Cameroun	1,800 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Ivory Coast	1,250 CFA	Tunisia	225 Dinares
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	.700	U.S. M.L. (Eur.)	\$1.20



Priority for Males / Lost Jobs and the End of Schooling**Asian Crisis a Disaster for Women**By Nicholas D. Kristof
New York Times Service

SEOUL — As the South Korean economy boomed, so did Son Kyung Suk's career. As a clothing designer at the Shinsegae Department Store, she was steadily given more responsibility and promoted to become a buyer, a job usually reserved for men.

Then when South Korea's economy hurt, so did Mrs. Soo's career.

The company needed to slash costs, and so her department decided to cut her position and those of five other women.

"It was only the women who were pushed out," she recalled, her black eyes sparkling angrily through her glasses. So Mrs. Son, 47, was dismissed April 30. Leaning forward angrily in her chair, elegant in a black cotton suit that she designed in better days, she brooded that the Asian financial crisis has been a special disaster for women.

The bottom line across most of Asia, from the office suites of Japan to the peasant villages of Indonesia, has always been that resources are allocated disproportionately to men and boys. In times of bounty, there are plenty of leftovers for women; in lean times like these, it is women who are the leanest of all.

"The impact on women and girls is just catastrophic," said Linda Tsao Yang, the American envoy to the Asian Development Bank in the Philippines. Like many scholars and aid workers, she says that because of the financial crisis, women are disproportionately losing their jobs and families are pulling their daughters out of school or even selling them to brothels.

"Once these girls have dropped out of school, they'll never go back," she said. "And once they're into prostitution, that's the end of their lives. They will be a lost generation."

This generation is made up of girls like Juliana Aoetpa, an 8-year-old with olive skin, big black eyes and long black hair, who lives in the village of Toenek in eastern Indonesia. Indonesia has been hit by the Asian financial crisis, by a drought and by political turmoil that has further ravaged the economy. So Juliana's parents told her to drop out of the local elementary school and spend the days fetching water and gathering food.

"School is free," said her mother, Josisna Banue. "But the children have to buy a uniform, and we just couldn't afford it."

The uniform costs a bit less than \$1.

The number of children dropping out of elementary school in poor areas of Indonesia has doubled in the last few months, aid organizations say, and the great majority of the dropouts are girls.

"People say it's better for girls to stay at home, so that they can save money for the boys," said Meriana Kulla, a 17-year-old girl on the Indonesian island of Sumba. "Parents are afraid that their money will run out, so they are pulling the girls out of school."

This is not a new problem, for even before the crisis, girls in Indonesia were six times more likely than boys to drop out of school before the fourth grade. But the long economic boom in Asia had been chipping away at gender discrimination and creating new opportunities for girls and women.

NOW, development experts say, that process has been reversed. Interviews around the region suggest that in these times of scarcity, job opportunities for women and educational opportunities for girls are narrowing again.

Even in South Korea, one of the richest of Asian countries, families are pulling their daughters out of cram schools so that they can devote the money to their sons.

"My older sister has four kids, three girls and then the youngest is a son," said Lee In Sook, a bubbly, self-confident 25-year-old woman working in Seoul for an advertising company. "Each child used to go to two or three after-school classes a week, but after the economic crisis hit, their Dad ordered the girls to drop out of everything but art classes. And since the boy will carry on the family name, he was forced to continue taking three classes, even though he didn't want to."

Is that fair?

Miss Lee paused and looked a bit perplexed.

"It would be best if everyone could get opportunities," she said thoughtfully, "but I think it's right that a son gets the most attention."

Efrain Bea is due to give birth in a few weeks. Mrs. Bea, 27, sat on a creaky wooden bed in her dirt-floor hut, decorated with a 1990 calendar and glossy advertisements ripped out of an Indonesian magazine, and said that despite her pregnancy she is eating nothing but bark and roots foraged in the woods.

Mrs. Bea has two girls, aged 10 and 4, and they are eating the same crude diet and appear malnourished. The problem is that when the family comes across more nutritious food, it goes elsewhere.

"When we get some meat, my husband eats it," Mrs. Bea explained. "My husband has to work hard, farming and fishing, so he takes the meat so he'll have energy."

That is a problem in many parts of Asia, for in times of difficulty even most food and medical care go to males. Some say this is because it is the men who do the hardest work and therefore need the most energy. Others say it is because of traditions that sons carry on the family name and family line, while daughters marry into other families and represent a familial dead end.

Scholars say that it is not that parents deliberately starve their daughters, but rather that they take the choicest bits of meat out of the pot and set them on the plate of the father or the eldest son. Or parents rush their sick son to the doctor, but when their daughter is ill they feel berforehead doubtfully and say, "Well, let's see how you are tomorrow."

As a result, in much of Asia girls die at a higher rate compared with boys than in most other parts of the world — whether rich areas like the United States or poor areas like sub-Saharan Africa. It is too soon to see whether this financial crisis will worsen the imbalance, but the risks are evident in households like Mrs. Bea's.

She and her family do have two chickens, six pigs and two goats, but they do not eat the livestock. Instead they sell the animals to get cash — a chicken sells for about \$1.25 — and Mrs. Bea's husband uses the cash himself.

He spends a total of about 20 cents a week buying tobacco and betel nuts. He rolls the tobacco up in scraps of paper to make his own cigarettes, and he chews the betel nuts, which produce a mild natural high and are widely consumed in rural areas of Asia.

"The pattern is for families to save resources for the fathers," said Dr. Anugrah Pekerti, the chairman of World Vision Indonesia, an aid organization. "When the fathers are asked why they smoke cigarettes instead of buying food for their hungry children, they say, 'We can always make more children.'"

Another consequence of the Asian financial crisis in the home may



Nicholas D. Kristof/The New York Times

Juliana Aoetpa, left, had to drop out of school because her uniform was too expensive — \$2.

simply be that a lot more women are getting beaten up every evening.

The evidence is anecdotal, but aid organizations and women themselves say the strains of financial hardship are leading to more violence at home.

THIS APPEARS most common not in middle class families but in the villages and urban slums that have been worst affected by the financial crisis.

"If I don't have enough food in the house, my husband hits me," said Ima Ako, who was selling chillies in the market in the Indonesian city of Waikabubak. "So I'm afraid of him."

"When there's no food," she mused sadly, "the men get very angry."

In the labor market, women have been particularly hard-hit in north Asian countries with a Confucian heritage, places like South Korea and Japan.

Yet the discrimination is not necessarily rooted in misogyny. In an odd way, it is in some cases based on a genuine desire to minimize the pain of

layoffs. "In a crisis, first of all we would have to fire the women," said Masamitsu Nishi, 47, the owner of a 40-employee construction company in Japan's Mie Prefecture. "We would retain men, because they are the pillar of household earnings."

"We would also fire young people, because they could always get another job," Mr. Nishi added. "But I would never want to dismiss the main income-earner, because that might destroy a whole family."

The best and brightest women graduates can still often get good jobs. A look at hiring records of 55 Japanese companies shows that the proportion of women being hired for fast-track "career" jobs this year is roughly the same as in 1990 or has even slightly increased.

Now as then, women are hired for about 15 percent of these career-track jobs, which offer excellent prospects for promotions but mean sacrificing one's family life for the company.

The greatest challenge in northeast Asia, therefore, is faced not by the most ambitious and talented women graduates who compete for the career track but by more ordinary people.

Science Cracks Tuberculosis Bacterium's Genetic CodeBy Nicholas Wade
New York Times Service

NEW YORK — Scientists have broken the code of the tuberculosis bacterium, a germ that kills more people in the world than any other infection agent.

The advance, published Thursday in the journal Nature, is the work of a team led by Dr. Stewart Cole, a tuberculosis expert at the Pasteur Institute in Paris, and Dr. Bart Barrell, a DNA sequencer at the Sanger Center near Cambridge, England.

The team succeeded in decoding the 4,411,529 chemical letters that constitute the genome, or DNA sequence, of Mycobacterium tuberculosis, as the microbe is known. Working out the structure of so enormous a DNA molecule lies at the edge of what is technically possible. About a dozen bacterial genomes have been sequenced since 1995, only one of them larger than that of tuberculosis.

This advance is likely to open up new approaches for developing drugs and vaccines against the microbe, and to reinvigorate research efforts in a difficult and slow moving field.

Tuberculosis is a deadly disease in the less developed world, killing 3 million people a year, according to the World Health Organization.

In the United States and other developed countries, where it has long been treatable with antibiotics, public health officials were concerned when drug-resistant strains emerged several years ago that the disease would become uncontrollable again. The outbreak of these novel forms has been contained, but tuberculosis is no longer regarded with complacency.

The bacterium is inhaled and is usually contained within the lungs, by the body's immune system. There it may lurk harmlessly for years, until the immune system is weakened by age, stress or disease. Then the bacterium erupts, eating through the tissues of the lungs and occasional blood vessels, making the patient cough up blood.

Possession of the bacterium's DNA sequence is like acquiring an enemy's battle plan. The sequence encodes every genetic defense and strategem the bacterium has acquired in the course of evolution.

Though full analysis of the sequence will take years, the Pasteur-Sanger Center team has already discerned that the sequence encodes about 4,000 separate genes and has divined how some of them may assist the microbe at different stages of its cunning life cycle.

Dr. Barry Bloom, a tuberculosis expert at the Albert Einstein College of Medicine in the Bronx, said the genome would have "a major effect in accelerating ongoing work in terms of identifying the genes required for virulence, and targets for drugs and vaccines."

Dr. Lee Reichman, director of the National Tuberculosis Center in Newark, New Jersey, said he hoped the genome would stimulate drug companies to devise less draconian ways of treating the disease than the present six months of intensive drug therapy.

TRAVEL UPDATE**Oslo Air Strike Threat**

OSLO (Reuters) — Norwegian airlines scrambled Thursday to set up bus shuttles to an airport in Sweden to limit disruption from a two-week controllers' strike planned to start Friday.

All commercial flights over southern Norway will be halted if the union carries out the strike threat. Some trans-Atlantic flights passing over the region also might have to take a slight detour.

Belgium's national airline, Sabena, said Thursday it was testing a new service in which a passenger's luggage would be picked up from home or a hotel 24 hours in advance of a flight. (AP)

The Kremlin sent some of its finest treasures to the Tower of London on Thursday for an exhibition to celebrate the 300th anniversary of Peter the Great's visit to Britain. Many of the treasures had never left Moscow before.

WEATHER**Europe**

Today High Low W

Monday High Low W

Tuesday High Low W

Wednesday High Low W

Thursday High Low W

Friday High Low W

Saturday High Low W

Sunday High Low W

Forecast for Saturday through Monday, as provided by AccuWeather.

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Asia

Today High Low W

Monday High Low W

Tuesday High Low W

Wednesday High Low W

Thursday High Low W

Friday High Low W

Saturday High Low W

Sunday High Low W

Forecasts and data provided by AccuWeather, Inc. ©1998 • <http://www.accuweather.com>**North America**

Today High Low W

Monday High Low W

Tuesday High Low W

Wednesday High Low W

Thursday High Low W

Friday High Low W

Saturday High Low W

Sunday High Low W

Only in Paris and London, with some rain Saturday, then some sun Sunday. Tokyo will probably have rain Saturday and then sunshine Monday.

Bucharest will also be cold and dry Saturday.

Athens will be hot and dry Saturday.

Tokyo will be hot and dry Saturday.

Paris will be hot and dry Saturday.

London will be hot and dry Saturday.

Paris will be hot and dry Saturday.

London will be hot and dry Saturday.

Paris will be hot and dry Saturday.

Early rain Saturday.

Paris will be hot and dry Saturday.

THE AMERICAS

**Town Mourns a Murder:
'Hate Can Only Destroy'****A Suspect's Father Apologizes for Black's Death**By Carol Marie
New York Times Service

JASPER, Texas — The courthouse square seemed almost eerily quiet on this sweltering day. Few people milled about and those who did seemed hesitant to talk to outsiders about the horrible crime that had brought a swarm of TV trucks to the town and would bring the Reverend Jesse Jackson.

Lou Ann Reed, a cashier at the Quik Mart at the edge of town, said Wednesday that few talked of the brutal slaying of James Byrd Jr., 49, a black man dragged to death behind a pickup truck Sunday, and the three local white men who have been charged with the murder.

"It's a sad situation," said Ms. Reed, who is white. "I don't think anybody should be treated that way. I don't care what color they are. Not even an animal."

POLITICAL NOTES**House Wants Debtors to Pay Up**

WASHINGTON — The House of Representatives has approved far-reaching legislation to tighten the bankruptcy laws for the first time in a generation, in an effort to discourage the growing practice of consumers' declaring personal bankruptcy to erase their debts.

The bill, which passed 306 to 118, "represents another example of this Congress' efforts to encourage individual responsibility," said Representative Scott McInnis, Republican of Colorado. "We will reward people that they do need to be held accountable for their debts that they have accumulated."

The legislation would prohibit anyone earning more than the national median income for his or her family size — \$50,000 for a family of four, for example — from declaring personal bankruptcy under Chapter 7 laws, in which virtually all debts are forgiven. Those earning more than \$50,000 and deemed able to repay at least 20 percent within five years would have to adhere to a payment schedule under Chapter 13.

This summer, the Senate is to take up its own version, which would give bankruptcy judges more leeway to set repayment schedules. Administration officials have said that President Bill Clinton objects to using income to determine whether someone is eligible to file for bankruptcy. (NYT)

Attacking Starr by the Numbers

WASHINGTON — A former White House counsel, Jack Quinn, was on NBC, attacking the pace of the investigation of the independent counsel, Kenneth Starr, into President Clinton. "Ken Starr's been at this business 1,450 days," Mr. Quinn said, "longer than it took us to win World War II."

The same morning, William McDaniel, the lawyer for a White House aide, Sidney Blumenthal, was taking a jab at Mr. Starr on ABC. "You know," Mr. McDaniel said, "he's been in office longer than World War II lasted."

Soon after, the presidential counselor Paul Begala showed up on CNN, calling it "Day 1,400" of an investigation that has "lasted nearly as long as the Second World War."

The chorus offered a vivid illustration of the best-defense-is-a-good-offense approach taken by the White House since Mr. Starr expanded his inquiry in January to include Mr. Clinton's dealings with a White House intern, Monica Lewinsky.

The White House blames Mr. Starr for the duration of his investigation, noting that he has spent more than \$30 million in an inquiry initially focused on a failed two-decade-old land deal in Arkansas. Mr. Starr and his defenders place the responsibility squarely on the White House, noting that it has fought repeatedly to block his investigators.

"Both sides in effect are making valid points," said Bruce Yannett, a former deputy to the Iran-contra prosecutor, Lawrence Walsh, whose investigation was similarly criticized by Republicans. Institutional factors drive special prosecutors to be as thorough as they can be and then some. And that leads to a slow, more ponderous investigation." (WP)

Quote/Unquote

The chairman of the House Ways and Means Committee, Bill Archer, Republican of Texas, contending that approval of legislation to ease the so-called marriage penalty — the additional tax burden that falls on two married wage earners — is inevitable this year: "I don't think anybody can say it's supportable that two people when they're single pay an aggregate tax that is increased significantly just by virtue of their getting married. That's just wrong." (WP)

Away From Politics

• A woman who was beat-bitten and seriously injured by an elephant before its television appearance on "Live" — With Regis and Kathie Lee" received a \$1.65 million settlement in New York. Yelena Aleynikov, an English-Russian translator, wept after the settlement was announced. (AP)

• TWA control tower managers at New York's Kennedy International Airport made lewd comments and sexual propositions, fondled female colleagues and exposed themselves while on duty in the tower, according to two lawsuits filed in New York. (AP)

• Customs agents in New Jersey seized 1,300 pounds (600 kilograms) of cocaine after smugglers tried to bring it into the United States by ship, secreted in fiberglass barrels at the center of eighty wound large rolls of wrapping paper. Four people have been arrested so far for claiming and distributing the shipment, with a value of \$40 million. (NYT)

• A man dressed in women's clothing opened fire in a medical office in San Diego, killing his therapist and then himself. The police knew no motive but classified the case as murder and suicide. (AP)

Turn here for**THE INTERMARKET****Don't miss it. A lot happens there.**

A sign on the main street in Jasper, Texas, asking for the nation's prayers.

such a manner is beyond any kind of reasoning.

"It hurts me deeply to know that a boy I raised and considered to be the most loved boy I knew could find it in himself to take a life," the elder King added. "This deed cannot be undone, but I hope we can all find it in our hearts to go forward in peace and with love for all. Let us find in our hearts love for our fellow man. Hate can only destroy."

"Again, I want to say I'm sorry."

In Washington, President Bill Clinton called the killing shocking and outrageous. He said the residents here "must join together across racial lines to demonstrate that an act of evil like this is not what this country is all about." He added, "I think we've all been touched by it, and I can only imagine that virtually everyone who lives there is in agony at this moment."

At the town's beautiful old

courthouse, built in 1889, with a white gazebo in front, Neva Alexander, administrative assistant to the county judge, said there had been a lot of talk among the 8,000 residents of this town in East Texas.

"Everybody thinks it's

horrible," she said. But, she added, she thinks it was an

isolated act of violence.

Many of the whites, as well as some blacks, seemed to believe the crime did not reflect a deeper problem.

But at an afternoon prayer meeting, held at the church the dead man's family attend and featuring the Reverend Jackson as a speaker, blacks

were less certain the murder was an isolated incident.

"It uncovered a lot of

things that should have been uncovered before," said Herbert Spikes, 58, a Wal-Mart employee in Jasper. "Maybe it took this to bring it out. I believe it will get better now that it's exposed."

Tax Funds Can Go To Church SchoolsBy Ethan Bronner
New York Times Service

NEW YORK — In the most significant legal decision yet on the growing use of school vouchers, the Wisconsin Supreme Court has ruled that the city of Milwaukee could spend taxpayer money to send pupils to parochial or other religious schools.

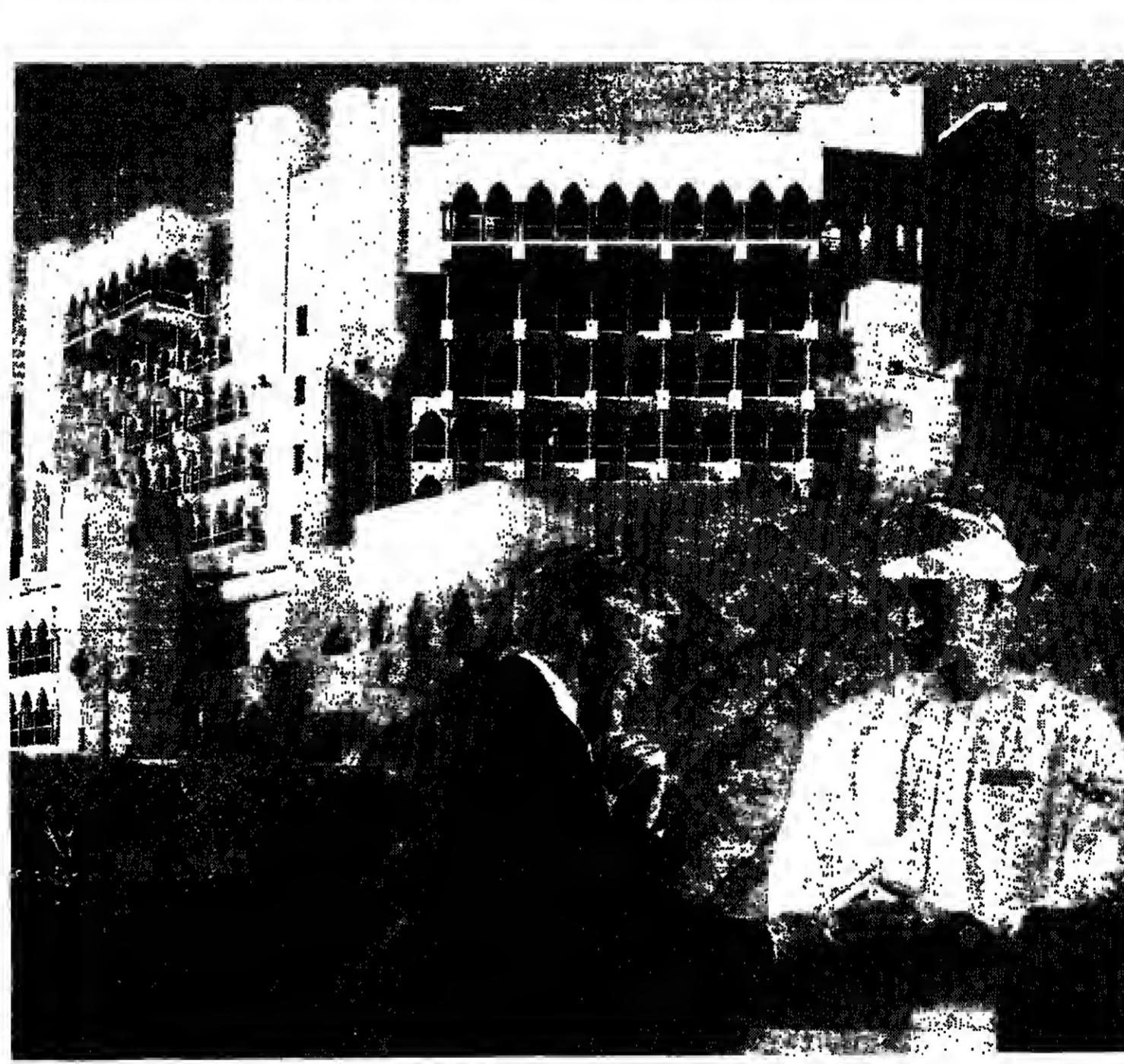
Voting 4 to 2 Wednesday to overturn a lower-court ruling, the state's highest court said that the Milwaukee Parental Choice Program did not violate Wisconsin's existing ban on spending state funds for religious seminaries or the First Amendment's separation of church and state.

The court said the program "has a secular purpose" and "will not have the primary effect of advancing religion."

Civil libertarians, aghast at what they considered a radical departure in court interpretation of the First Amendment, and teachers' unions, lamenting the ruling as a blow to public schools, vowed an appeal to the U.S. Supreme Court. Some legal scholars said that the decision could form the basis of a test case for the high court on the extent to which government can support parental choice in using public money to buy a religious school education.

By the rules of Milwaukee's Parental Choice Program, begun in 1990 and the first of the country's voucher programs, families below a certain income level can send their children to the school of their choice — public or private, kindergarten through 12th grade — with tuition paid by the state government.

When religious schools were added to the list of eligible in 1995, the plan was challenged by the civil libertarians and teachers' groups. Agreeing with them, a lower state court had limited the program to private, nonsectarian schools.



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***FORUM HOTEL**

EUROPE

Economics Lesson for the French Public Sector

By Barry James
International Herald Tribune

PARIS — Management's stand in facing down pilots during the Air France strike that crumbled this week sent a strong message that the country's powerful nationalized industries can no longer hold themselves aloof from economic realities.

In the past, governments buckled in the face of worker protests at the state-owned airline, which absorbed 20 billion francs (\$3.3 billion) in public subsidies while rival — and privatized — British Airways was building itself into the world's most profitable carrier.

Only a few months ago, Air France's former president, Christian Blanc, had to resign after the government refused to

back his proposal to privatize the airline. Ceding to pressure from its Communist flank, the government has proposed to float only 20 percent of Air France and reserve a large bloc of those shares for employees.

NEWS ANALYSIS But Lionel Jospin, the Socialist prime minister who will defend his vision of industrial society during a visit to the United States next week, told the National Assembly on Wednesday that public service should not be synonymous with inefficiency or lack of competitiveness.

The question now is whether the government can transfer the lesson of Air France to the many other state enterprises, such as the electricity monopoly

and the post office, that are facing market realities.

The pilots provided an insouciant example of the customer-comes-last attitude of many state workers. They waited until the eve of the World Cup soccer finals, an event for which the country has been preparing for five years and which was intended as a national showcase, to start their strike, claiming that a proposal to pay part of their salary in shares amounted to a pay cut.

The pilots evidently believed that the government would cede as previous administrations had ceded. Jean-Cyril Spinetta, who replaced Mr. Blanc, had a reputation as a conciliator. Transport Minister Jean-Claude Gayssot said early in the dispute that he was not

prepared to preside over any reduction in salary.

In the interests of social peace, governments have given way in virtually every major labor dispute in recent years — by truckers, rail workers and other groups. To the surprise of many, Mr. Jospin was made of sterner stuff. Political sources said he held his fire while the pilots made their first moves.

He obtained lists of passengers heading for the World Cup and discovered that most people were managing to do very nicely without Air France. He made sure that a wave of other strikes on the railroad and at Charles de Gaulle airport were unlikely to be more than a nuisance. And he carefully sounded out public opinion. This told him that not only did the strike enjoy little support among the public, but it was bitterly criticized by other unions and groups of workers at Air France.

Once he had all this information, Mr. Jospin made his position clear: The government fully supported the Air France management in seeking savings, and it was more concerned with the survival of Air France than rescuing the World Cup.

Armed with Mr. Jospin's display of firmness, Mr. Spinetta announced a special board meeting to reach "important decisions," which most observers took to mean that he would unilaterally impose a new pay scale on the pilots.

The pilots were outmaneuvered and their public relations were a disaster. Their strike crumbled overnight Tuesday after nine days. The airline was struggling Thursday to get back to normal, having lost more than 1 billion francs in earnings, according to the management. But management got what it wanted: an annual 500 million franc savings on the pilots' wage bill — just about enough to buy a single wide-bodied aircraft.

A decision to make ethnic cleansing an international crime and thus legitimize outside intervention to halt it.

"We're this close to reaching that conclusion," according to a U.S. official, who nearly touched his thumb and forefinger. For this approach to jell in time to save Kosovo, Washington would probably have to take a bold lead in branding ethnic cleansing a danger to international order and assembling a coalition to take action.

Publicly, American officials have been prepared to discuss only one option: a Security Council resolution authorizing the use of force. This would satisfy every allied government but faces opposition by Russia and perhaps by China.

A call by Albania and Macedonia for outside help so they can defend themselves against the destabilizing flow of refugees from neighboring Kosovo. Self-defense is enshrined in the UN Charter, a higher authority than the Security Council, but these two countries, now at least, would be seeking preemptive self-defense against a worsened

ing problem — a case without precedent.

A claim by the United States and its allies that Kosovo, once embroiled in combat, would come under a peace-keeping mandate that could be interpreted to include all of former Yugoslavia. This argument would rely heavily on an ultralegalistic reading of the Dayton peace accords and previous UN resolutions. It would also face opposition from Serbia, a party to the Dayton accords, which claims Kosovo as integral part of its territory and rejects any outside intervention.

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The amount may be symbolic, considering management's aim to invest 40 billion francs in new aircraft and hiring new crew. But the agreement marked a turning point, a realization perhaps that public service means not the strength of workers to stand up against the state, but the ability to attract and keep customers in the face of ruthless private competition.

Air France has a lot of catching up to do in Europe's deregulated skies. British Airways has captured a fifth of the French carrier's domestic market with its subsidiary Air Liberte, and now plans to operate high-speed trains from Paris to its hub at Heathrow. On international routes, Air France faces keen competition from carriers like Lufthansa of Germany, which pays its pilots up to 40 percent less.

And there is the question posed by Mr. Blanc: What makes a government a better owner of an airline than private enterprise, or any more capable of dealing with the challenges of airline deregulation?

A Diplomatic Labyrinth on Kosovo

Experts Seek Path to Aid Ethnic Albanians and Not Flout Legal Curbs

By Joseph Fitchett
International Herald Tribune

PARIS — A key hurdle for any international military action in Kosovo is finding a rationale that would legitimize intervention — an intervention that would amount to a peacetime invasion, violating Serbian sovereignty over the province — U.S. and European diplomats say.

Trampling on international law could seem a small price to pay for determined action intended to save lives and prevent bloodshed from escalating — "like a legal argument while a patient is dying," a diplomat said.

But the United States and other countries weighing intervention are intensively consulting about what grounds can be invoked to promote political support, but would not open the door to abuses in future incidents.

"A bad precedent can be had in either of two ways: providing cover for interventions such as Russia sending troops into an ex-Soviet state or creating expectations that the West will come riding over the horizon every time there's turmoil somewhere," said a French military planner.

If the Clinton administration musters the political will, a way to package its actions can always be found: "Coming up with a formula is what we do for a living," a U.S. ambassador said.

But he and other diplomats said that there was still no clear consensus about the right legal framework for an intervention in Kosovo, a situation that differs radically from the circumstances

in Bosnia, an internationally recognized state that sought outside help.

In the case of Kosovo, both Belgrade and Western governments want to avoid using Bosnia as a precedent. Belgrade says that Kosovo is an internal matter, and Western governments want to avoid setting an example of recognizing self-determination and fostering further ethnic splitting in the Balkans.

In other words, NATO governments want a justification for armed intervention that does not destroy Belgrade's sovereignty in Kosovo, a German diplomat said.

"U.S. officials are particularly worried that acceptance of an independent 'Kosovo' would destroy the Dayton agreement in Bosnia, which is based on integration, not separation," according to Warren Zimmerman, a former U.S. ambassador to Yugoslavia.

Seeking a way out of this bind as NATO allies gird themselves for still undefined action, diplomats cited four possibilities currently being pursued or explored as a basis for intervention:

• A UN Security Council resolution authorizing the use of force. This would satisfy every allied government but faces opposition by Russia and perhaps by China.

• A call by Albania and Macedonia for outside help so they can defend themselves against the destabilizing flow of refugees from neighboring Kosovo. Self-defense is enshrined in the UN Charter, a higher authority than the Security Council, but these two countries, now at least, would be seeking preemptive self-defense against a worsened

international climate and thus legitimize outside intervention to halt it.

"We're this close to reaching that conclusion," according to a U.S. official,

who nearly touched his thumb and forefinger. For this approach to jell in time to save Kosovo, Washington would probably have to take a bold lead in branding ethnic cleansing a danger to international order and assembling a coalition to take action.

Specific UN approval has also specified as a requirement for their military cooperation by France, Germany and other allies. But Moscow has publicly opposed the use of force in Kosovo, a stance that portends a Russian veto in the Security Council.

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ASIA/PACIFIC

For Pakistan's Poor, Atomic Program Is a New Burden

By John Ward Anderson
Washington Post Service

ISLAMABAD — With Pakistan facing bankruptcy because of international sanctions resulting from its nuclear weapons program, and also a likely rise of spending in a new arms race with India, leaders have asked their countrymen to do their patriotic duty and "eat grass," so money will be available for national security.

But in a country rife with corruption, where politicians traditionally line their own pockets instead of funding programs for the poor and illiterate, less affluent Pakistanis say those leaders should first chomp on a little grass themselves.

Take, for instance, Prime Minister Nawaz Sharif, who paid an equivalent of \$58.36 in income taxes for 1994-95, the last tax year for which information is available.

His family business, the Interq Group, is Pakistan's fourth largest industrial concern, worth \$217 million. This is 4,000 percent more than its value of \$5.4 million when Mr.

Sharif won his first major office 10 years ago.

Or take the case of the opposition leader and former prime minister, Benazir Bhutto and her husband, Asif Ali Zardari.

They paid \$679.41 in income taxes in 1996-97. On a financial disclosure form, the two reported they had seven bank accounts in Pakistan. But a court in Lahore recently discovered 46 more, while Pakistani and European investigators found 29 foreign accounts, including 17 totaling at least \$100 million frozen by Switzerland.

"The government wants us to further tighten our belt," said Feroz Din, a construction worker in Karachi, tears in his eyes. "Surely we will do that, but only around our necks."

"Let's see if the top people also eat grass," said another worker, Nour Mohammed, echoing the phrase made famous in 1965 by Prime Minister Zulfikar Ali Bhutto, Benazir Bhutto's father.

The elder Bhutto had said Pakistanis "will eat grass and leaves" to pay for a nuclear bomb if

India built one first.

The vow took on new relevance — and came in for frequent repetition by top politicians — when India shocked the world by conducting five nuclear tests on May 11 and 13. Pakistan then followed suit with tests of its own on May 28 and 30.

Even though the Clinton administration warned Pakistan it would be subject to the same Congress-mandated economic sanctions that had been slapped on India, Prime Minister Sharif ordered the tests — and sanctions were indeed imposed.

Financial analysts and senior government officials here say that debt-ridden Pakistan now faces financial collapse, prompting governmental calls for austerity and rejections that the pampered, corrupt political establishment shoulder a greater share of the burden.

"Now, Mr. Sharif is exhorting everyone to make sacrifices," The Friday Times said in an editorial. "But the real question is: Will Mr. Sharif return the billions of rupees in defaulted loans and taxes which he

owes the exchequer before he asks us to empty our pockets for the 'national cause'?"

The editorial referred to another power parasite that has fueled scandals here for years and brought the country's highly politicized banking system to the brink of collapse: Many political leaders receive bank loans that they refuse to repay.

In fact, before his party won re-election last year, Mr. Sharif and two top assistants — the home minister and the so-called accountability czar — together defaulted on loans of \$107 million. Their spokesmen say they were forced into default for political reasons by the old Bhutto administration and that all loans are now current.

Benazir Bhutto claims that allegations that her family plundered the national treasury are false and are a smear by Mr. Sharif.

Whatever the truth, the spectacle of Pakistan's top politicians arguing about their unexplained millions while asking the impoverished masses to get by with less has inspired outrage.

"Under the nuclear cover, the nation is now being asked to foot the bill for the princely lifestyles of officials and ruling politicians," said Anis Khan, an official with United Bank Ltd. "I will trust Nawaz Sharif if his family returns all they owe to the banks and tax authorities in this country."

Numerous analysts said that neither the government nor the populace could afford an arms race and the ban on foreign aid and loans called for by the United States and other countries.

About 30 percent of Pakistan's 140 million citizens live in poverty, with a typical worker making the equivalent of \$460 a year.

"The atom bomb may be good for the country, but we didn't have a single drop of water in the last four days," said Kishwar Hussain, whose Karachi neighborhood has faced a water shortage this year.

Only one in 100 people in Pakistan pays taxes on their incomes. About 70 percent of the 314 members of the National Assembly and Senate paid no income tax in 1994-95.



DEADLY WIND — An Indian woman dragging her cot back home Thursday in the western state of Gujarat, where a cyclone the day before killed 550.

Taleban Yields on Food Aid

UNITED NATIONS, New York — The Taleban government in Afghanistan has allowed a critical shipment of food to be made to a front-line region that is cut off from supplies and has been facing shortages for nearly a year. The United Nations World Food Program said Thursday.

The shipment will go to about 200,000 people in the Hazarajat area and Ghorband Valley of central Afghanistan. Fighting there is going on mostly between the Taleban and a local Shiite army, the Hezbe-Wahdat, which the Taleban says is being armed by Iran.

Taleban officials had barred aid because of fears that the bulk of it would be diverted to enemy troops. In an attempt to assuage these fears, the World Food Program organized a plan to bring trucks to the front line, from where they were escorted by either one of the opposing armies into territories under its control.

2 Communist Parties in Accord

TOKYO — The Chinese and Japanese Communist Parties have agreed to normalize relations more than 30 years after they broke ties in an ideological dispute. Japanese party officials said Thursday.

The two parties confirmed their agreement in a meeting in Beijing, the Japanese Communist Party leader, Tetsuzo Fuwa, said in Tokyo.

He is to visit China as soon as possible, party officials said. The visit will be the first by a party leader since 1966, when Kenji Miyamoto met with Mao Zedong in Beijing in a failed attempt to agree on a joint communiqué on relations between the two parties.

The Japanese broke ties after party officials were attacked by Chinese Red Guards at Beijing's airport in 1967. (Reuters)

Japan's Fertility Rate Declines

TOKYO — Japan's fertility rate declined to a record low last year, the government announced Thursday, raising fears about the consequences for a rapidly aging society.

The average fertility rate for Japanese women fell to 1.39 in 1997, according to the Ministry of Health and Welfare. It said the previous low was 1.42 in 1995.

The fertility rate is the number of children each woman bears on average in her lifetime. In theory, a rate of about 2.1 is needed to maintain a population at a stable level.

The government and demographic experts fear that in the mid-21st century, Japan will lack enough young workers to subsidize the social welfare system for aged and retired workers.

(Reuters)

Cambodia to Let Prince Run

PHNOM PENH — Cambodia's ousted co-prime minister, Prince Norodom Ranariddh, has been cleared to run in elections in July, even though he has failed to re-integrate his fighters into the army, a senior election official said Thursday.

"Tomorrow we will announce officially the 39 parties eligible to participate in the election and those will include" his party, said the National Electoral Commission deputy chairman, Nov Kasie. (Reuters)



Madeleine Albright defending nuclear weapons accords in a Washington speech.

Clinton Widens Defense of China Visit**Citing 'Constructive Engagement,' He Acts to Counter Critics in Congress**

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton issued an impassioned defense of his policy of "constructive engagement" with China on Thursday, clearly hoping to prevent congressional criticism from overshadowing the first trip by a U.S. president to China in this decade.

Describing the importance of the emerging U.S.-China relationship in more-sweeping terms than he has used before, Mr. Clinton said, "That relationship will, in large measure, help to determine whether the new century is one of security, peace and prosperity for the American people."

He said the United States was seeking to craft an approach to China that was more "principled and pragmatic" than either an effort to isolate and contain the country, as some in Congress advocate, or to rely solely on trade as a lever to open it up to democracy.

"Seeking to isolate China

is clearly unworkable," he said in a 30-minute speech to the National Geographic Society. "We would succeed instead in isolating ourselves and our own policy."

Mr. Clinton defended himself on two matters that have provoked many in Congress to demand that he delay the trip: His plan to visit Tianamen Square, near where Chinese troops massacred hundreds of democracy activists in June 1989, and his administration's waiver to permit a U.S. satellite to be launched by a Chinese rocket.

As he had before, he said he did not want to argue with another nation's protocol. To visit Tiananmen, he said, did not in any way "absolve" the Chinese government of its responsibility for the terrible continued.

He also said that China was playing a vital role in seeking to prevent a nuclear arms race by India and Pakistan.

The speech had been planned almost as long as Mr. Clinton's trip, which begins June 25.

But it also "may have been

in response to some of the critics" in Congress, said a White House aide who asked not to be named. He called the speech "a first step in an effort to address that kind of criticism."

Regarding his waiver this year to allow Chinese launching of a U.S. satellite, despite Justice Department objections, he said, "It is important for every American to understand that there are strict safeguards, including a Department of Defense plan for each launch, to prevent any assistance to China's missile programs."

Amid charges that the administration decision was influenced by large campaign donations by the chief executive of the satellite company, Loral Space & Communications Ltd., 152 members of Congress bad asked Mr. Clinton to postpone his visit while investigations of the matter continued.

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to prevent any assistance to China's missile programs."

He said he would press President Jiang Jenlin and other Chinese leaders on human rights and religious freedom, call for the releases of more dissidents and ask for "concrete steps to preserve Tibet's cultural, linguistic and religious heritage."

Foreign ministers from four of the UN Security Council's five permanent member states — Britain, France, the United States and Russia — will be joined by

outsiders deal a blow to the non-proliferation regime." Mrs. Albright said at a forum on the South Asian tests sponsored by the Henry L. Stimson Center in Washington. "But let me be clear: Those senseless blasts beneath the ground do not, as some suggest, discredit that regime. To the contrary, they illustrate its logic and its necessity."

■ London Talks Are Set

Foreign ministers from four of the UN Security Council's five permanent member states — Britain, France, the United States and Russia — will be joined by

Closing the Book on Lewinsky et al**Beijing Orders Stores to Remove Work on Clinton's 'Strong Drives'**

By Elisabeth Rosenthal
New York Times Service

BEL京ING — In a seeming attempt to spare President Bill Clinton embarrassment on his state visit, officials ordered bookstores this week to remove from their shelves a popular new book that details the sex scandals surrounding the American leader.

The book, "Clinton: A President of Strong Drives," is a glossy 302-page quick-publish quick-read issued here weeks ago by the Xueyuan Publishing House in the hopes of capitalizing on Mr. Clinton's visit, which begins June 25.

Based largely on American news reports, the first five chapters delve into Mr. Clinton's reported encounters with Jennifer Flowers, who said she had an affair with Mr. Clinton; Paula Corbin Jones, a former Arkansas employee who filed a sexual-harassment suit against him, and Monica Lewinsky, a former White House intern.

The last five chapters explore less-titillating episodes of the president's life, like the death of his father before he was born and the standoff with Iraq last winter.

And just as Chinese readers receive the full flavor of recent cases, the book includes 30 pages of color photographs like happy pictures of the Clintons holding hands, photo montages of women who have been linked to Mr. Clinton and a shot of his famous hug with Ms. Lewinsky on the White House lawn.

Thirty-thousand copies of the book were printed and, when the State Press and Publications Department ordered it off the shelves, it had almost sold out.

The Chinese have both admiration for Mr. Clinton and, as China has opened up, a lingering interest in things sexual, as well.

Also, after decades with little to read, Chinese are fond of quick biographies and lively narratives. An account of the mass suicide by members of the Heaven's Gate cult in California was popular this year.

Although Chinese censorship has loosened considerably, it was perhaps predictable that Chinese officials will find the latest look at the Clinton sex reports too distasteful. The private lives of Chinese leaders are carefully guarded, so that citizens generally have little idea how many children they have, let alone the particulars of any affairs.

In fact, the book presents a far more sympathetic look at Mr. Clinton's private life than he has enjoyed in similar works in the United States.

Calling Mr. Clinton "young, promising and elegant," the book says, "He has achieved a lot." It accuses the American news media of "fabricating news" and the Republican Party of "criticizing the weak points and personal blemishes of its rivals just for the sake of returning to power."

A portrait of Mr. Clinton with outstretched bands carries the admiring caption, "No wonder so many women have claimed to have had affairs with him."

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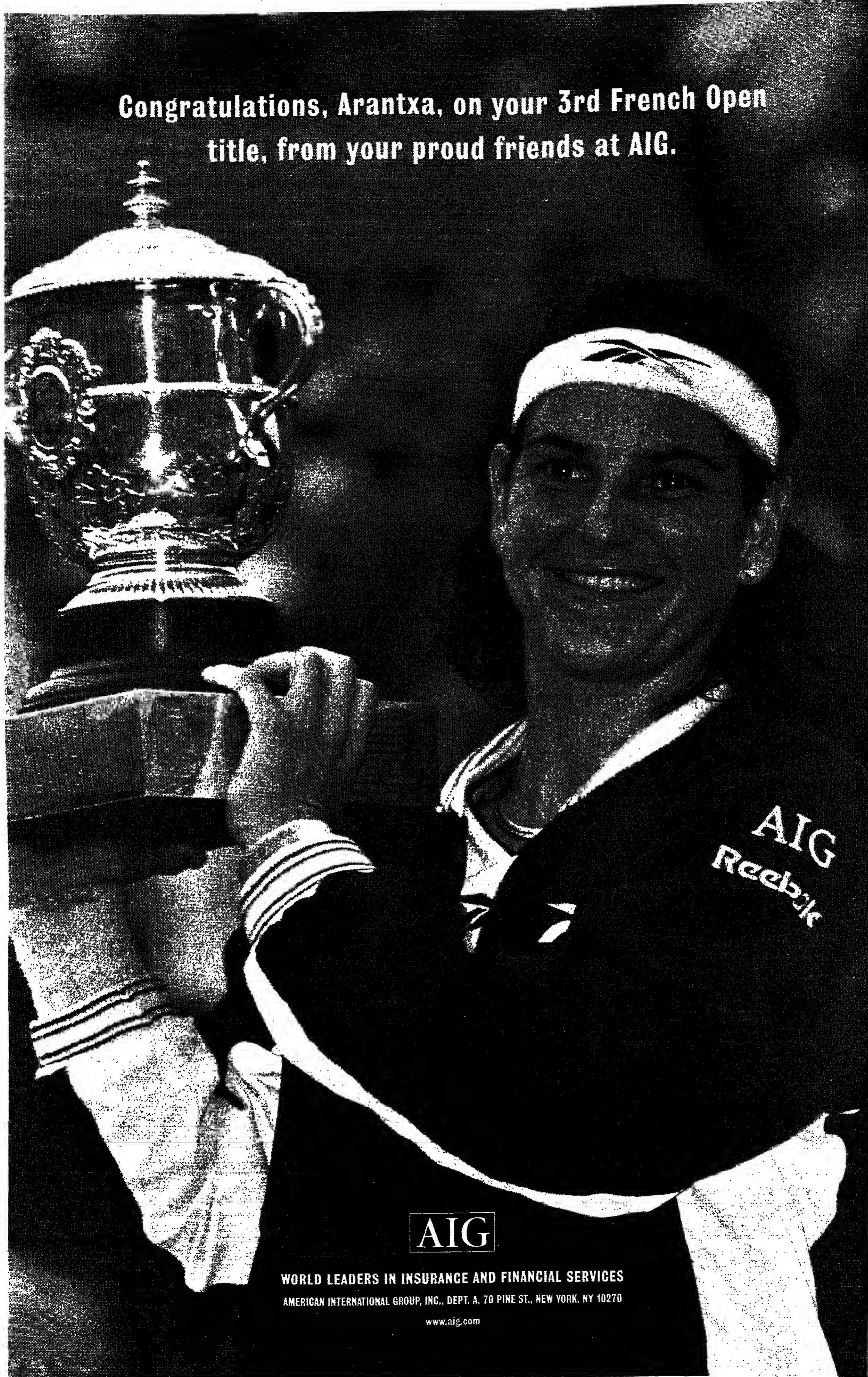
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INTERNATIONAL

Apartheid's Many Lethal Gadgets

Witnesses Describe Chemical and Biological Arms for Assassins

By Suzanne Daley

New York Times Service

CAPE TOWN, South Africa — Screwdrivers held tiny poison-filled cylinders, rings had spring-loaded compartments hiding deadly powders, vials of whisky were laced with the toxic herbicide paraquat and even peppermints were spiked with botulism.

During testimony before the Truth and Reconciliation Commission this week, a parade of witnesses has made it clear that undetectable ways of murdering political opponents were a high priority of a chemical and biological warfare campaign during the apartheid era.

Millions of dollars were spent on developing James Bond-type gadgets, though sometimes the results seemed more in keeping with the bumbling Maxwell Smart. The head of one front company that the military used described accidentally poisoning himself when he showed an operative how the ring worked.

And several notable assassination efforts apparently held miserably. In one case, not enough of a toxic substance was poured into five pairs of the victim's underwear. In another case, a poisoned shirt was borrowed from the intended victim, who escaped injury while a friend who wore the shirt died.

The commission heard testimony indicating that such poisoned gadgets appeared to be distributed in volume to

agents working for the government. They were among an arsenal of techniques used to brutalize anti-apartheid activists.

The exact extent of South Africa's chemical and biological program and whether it included weapons of mass destruction remains unclear. But the hearings have offered a compelling and sometimes detailed glimpse into the program, code-named Project B or Project Coast and headed by Wouter Basson, a cardiologist who was once the personal doctor to a former president, P. W. Botha. Dr. Basson is now facing an array of criminal charges including fraud and theft.

One witness, Jan Lourens, a bioengineer who in the late 1980s headed a company named Protechnik, said his company began by making protective clothing to withstand chemical attacks but soon developed a sideline bringing out tailor-made gadgetry including umbrellas with poisoned tips, soap boxes packed with explosives and a walking stick that could fire poisonous pellets.

"I was never under any illusion that it was for any purpose other than assassinating human beings," he said.

Earlier, Mr. Lourens had worked for a different front company that was trying to make substances to reduce the fertility and virility of blacks. He said he had been told the drugs would be for use among women who were fighting against the Angolan government and were becoming pregnant too often, a story that he said he found implausible.

He was supporting the rebels.

Nevertheless, Mr. Lourens said his laboratory took on the project, experimenting on animals.

Another witness, Schalk van Rensburg, who worked at another of the front companies, Roodeplaat Research Laboratory, said it had produced chocolates and cigarettes infected with anthrax, beer bottles containing botulism and sugar laced with salmonella. Included in a document titled "list of sales" were 32 bottles of cholera culture.

The hearings have also explored what some commissioners have described as the underlying criminality of the projects, which apparently cost millions of dollars and ended up making millions of some of the people in charge.

Some witnesses have said they produced drugs usually used for recreational purposes, known as Ecstasy and Mandrax. They said they suspected that members of the military simply sold the drugs.

Dr. Basson, was arrested in January 1997 when he was caught with about \$20,000 worth of Ecstasy tablets. He has since been charged with theft and fraud charges involving the disappearance of about \$6 million in government funds.

■ Search for a Selective Germ

The apartheid government investigated the possibility of developing bacteria that would selectively kill or injure black people but leave white people unharmed. The Associated Press reported Thursday from Cape Town, quoting a scientist's testimony.

The scientist, Daan Goosen, described for the Truth and Reconciliation Commission a search for an unidentified European scientist alleged to have known about a bacterium that would only harm blacks. The information came from the military attaché at the South African Embassy in London in 1983 or 1984. Mr. Goosen said.

He said that readings of scientific literature and journals had led him to believe it could be a feasible project, but he backed out of a planned trip to London to find the scientist, fearing it could be a trap.

Selectively destructive bacteria could have been used domestically as a threat to keep the white government in power, he said.

Mr. Goosen, who headed a covert military research laboratory under Dr. Basson's control, acknowledged that in hindsight his work was not justifiable. But he said the prospect of keeping order amid an increasingly resistant black population during apartheid's most turbulent time gave impetus to Dr. Basson's work.

"I was not thinking rationally at the time," he said. "Today I know I was wrong. You can't do that to people; it is just not justifiable."



Wouter Basson, who headed the arms projects, at hearings in Cape Town.

BRIEFLY

Foreigners Fleeing Guinea-Bissau Strife

LISBON — Foreigners fleeing a coup attempt in the West African state of Guinea-Bissau began boarding a Portuguese merchant ship on Thursday as mortar bombs fell nearby.

Firing continued, meanwhile, in the capital, Bissau, where army rebels

are fighting government troops.

A Portuguese government spokesman said in Lisbon that the embarkation of about 1,000 foreigners on the vessel could take some time.

But as the evacuation continued,

the Portuguese news agency Lusa reported that mortar shells, presumably fired from rebel positions, fell into the sea only a few hundred meters from the ship, causing panic among the waiting passengers.

(Reuters)

he was the managing editor.

"If I am a thief, say it," Mr. Karbaschi said. "If I have received bribes, say from whom I received them. In the last session the charges were cooperation in embezzlement, but now I'm accused of embezzling money. Sir, if I am a thief, please tell me where I stole from."

Mr. Karbaschi's trial is widely seen as an attempt by hard-line elements in the ruling clergy to topple key officials allied with President Mohammed Khatami, a moderate. Mr. Karbaschi ran Mr. Khatami's election campaign last year.

The trial did not say whether the bomb exploded underneath the train or inside it. It gave no word about who planted the bomb.

The train attack Thursday brought to 117 the number of people killed in a week of violence in the region, according to different official tolls published in the press. The toll has not been confirmed.

In an incident reflecting the edgy mood among civilians, several bus passengers in Algiers were wounded Wednesday bin a panic prompted by a bomb scare.

A boy jokingly tossed a plastic sack at a bus, and the passengers reacted in fear.

"Passengers hurried themselves to the ground through the bus windows out of fear of another carnage," said La Tribune.

In further violence, Muslim rebels were reported on Thursday to have killed seven pro-government militiamen in ambushes, bringing to at least 19 the number of militiamen reported killed in the past three days.

Rebel ambushed militia patrols on Tuesday and Wednesday, killing seven pro-government gunmen in Tizi-Ouzou area, 90 kilometers east of Algiers, and in the eastern province of Annaba, 240 kilometers away, according to Liberte daily.

Two civilians were killed by having their throats slashed at a roadblock erected by suspected rebels on Wednesday in Medea region, 70 kilometers south of Algiers, said Saout al Ahra daily.

(Reuters, AFP)

Ortega Must Face Sex Abuse Counts

MANAGUA — Daniel Ortega Saavedra, former president of Nicaragua, must appear in court to face charges that he raped and abused his stepdaughter, a judge ruled Wednesday. Attorneys for Mr. Ortega, a leader of the leftist Sandinista party, claim he has immunity as a deputy in the National Legislature. (AP)

For the Record

A judge in Puentecito Grande, Mexico, denied bail to two suspected Mexican drug lords facing a minor money-laundering offense, keeping them in jail while Mexico seeks to extradite them to the United States.

Eritrean Aircraft Hit Ethiopia As Negotiators Press Mission

The Associated Press

ADDIS ABABA, Ethiopia — Eritrean aircraft bombed an Ethiopian town Thursday and ground fighting flared on two fronts as a Rwandan-U.S. team promoting a peace plan returned to the Ethiopian capital.

Eritrean helicopters and warplanes dropped at least eight bombs on the northeastern border town of Adigrat on Thursday evening. Two of the bombs struck an industrial-residential area in the town of 40,000, setting grain storage facilities on fire.

Witnesses said at least one person was killed and three wounded. An Ethiopian government spokeswoman said in Addis Ababa that women and children had been killed in the attack, but she had no more details.

Adigrat is about 20 kilometers (12 miles) southwest of Zala Ambessa, a

border town captured by Eritrean forces last week.

Ground clashes broke out Thursday in the region of Eritrea's crucial Red Sea port of Assab — an area that had not seen fighting before — and in the Yirga triangle area where the conflict began.

The Rwandan vice president and defense minister, Major General Paul Kagame, whose country has drafted a peace plan along with the United States, returned to Addis Ababa on Thursday. There was no indication whether the presence of General Kagame, who is Rwanda's de facto leader, indicated progress on the plan.

Eritreia has already voiced support for the plan, which calls for Eritrea to pull back its troops to positions they held before fighting broke out. Eritrea has said the plan needs more work but has not clarified its objections.

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His Excellency
[Signature]
President Fidel V. Ramos



Rekindle the
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June 12, 1998
Philippine Centennial



OPINION/LETTERS

A 'Tough Love' Coolness Toward Japan Might Help

By Edward J. Lincoln

WASHINGTON — A question for Americans: What should we be doing about Japan's economic mess?

Japan's economy has performed poorly in the 1990s, averaging only about 1 percent annual growth since 1992. The collapse of stock and real estate prices at the beginning of the decade resulted in a mountain of bad debt and a prolonged period of economic stagnation.

By 1996 the economy was recovering, but the government choked it off with an unwise decision to raise taxes in 1997. Since then the economy has stagnated again while showing increasing signs of slipping into a real recession with a greater danger of financial collapse.

This litany of bad news should have sparked a sense of urgency within the Japanese government. But it dithered.

In the financial sector, new policies are keeping essentially insolvent institutions afloat through accounting tricks and infusions of government money. On the macroeconomic front, an economic stimulus policy evolved slowly in a largely opaque, piecemeal process that did not inspire public confidence.

The government did not produce a fiscal stimulus plan until late April. The package,

a combination of modest income tax cuts and sizable increases in public works spending, is large enough to boost the economy by more than 1 percent (but less than 3 percent claimed by the government) — enough to keep the economy from actually shrinking in 1998. But this will leave another year of virtual stagnation.

And why emphasize public works when the Japanese themselves have decied the massive corruption and inefficiency involved? Because of such doubts, the stock market and exchange rate have sagged.

What should the United States do about the plight of its close ally and economic partner? There are three basic choices.

One is to wait patiently while Japan works out its problems. That is a reasonable choice only if one believes that Japan's economic policy elite will pull the economy through this rough spot without excessive damage to itself, the rest of Asia or us.

Or we can voice our concerns. U.S. government officials have spoken out forcefully in the past half-year. This traditional approach of noisy pressure may have had some impact, as the stimulus

package might have been smaller without this volley of critical comments.

Or we could try a more indirect way to get across a message of deep concern. One possibility would be to downgrade the priority assigned to daily contact with the government — by not promptly returning phone calls, postponing some meetings or being too busy to meet visitors from Tokyo. This would be a calculated tactical approach — a "tough love" message, not a kick to a friend who is down.

Even a modest downgrading of daily interaction would clearly worry Japanese officials — who have reacted sharply to my suggestion in a recent Foreign Affairs article. Being treated like great power is important to them.

A Washington Post editorial (*IHT, May 6*) said I recommended kicking Japan while it's down. I beg to differ. My proposal was just one of several options for dealing with a difficult economic situation.

Like dealing with the drunk in America's "Friends don't let friends drive drunk" advertisements, this is not an easy tactic to employ. But it might finally get the message across about the depth of our concern. Sometimes being a close friend requires tough love rather than indulgence.

None of these choices is a clear winner. Japan could sink into a more serious economic mess while America stands by patiently, which would have negative repercussions for the U.S. economy. Meanwhile, Japan's officials may be less willing than in the past to listen to our noisy criticisms and advice about what to do.

A tactical downgrading of daily contact may be too blunt for American officials to try. But the situation is sufficiently worrisome to lead Japan watchers like me to think about such innovative policies.

For the past three years, Japanese pundits have joked a bit nervously that Americans have gone from "Japan bashing" to "Japan passing" (or even to "Japan nothing"). My proposal was simply borrowed from this notion.

Even if it is unpublishable as a deliberate choice, it may be coming true as a matter of course. The Keystones Kops image that Japanese policymakers project to the world is diminishing the attention their views receive on many international issues. The joke is becoming reality.

The writer, a senior fellow at the Brookings Institution, contributed this comment to The Washington Post.

LETTERS TO THE EDITOR**Studying the Past**

Regarding "The Danger of Seeing the Past Through Today's Prism" (Opinion, June 6) by William Pfaff:

Mr. Pfaff's article reflects a naïveté about the use and interpretation of historical fact. Questions such as "What were

the Turks supposed to do?" and "How could [the Swiss government] have done otherwise?" — along with his portrayal of the Swiss as the "unluckiest" of the neutral countries during World War II — transform these power players into victims of Nazism.

More disturbing, Mr. Pfaff's statement

that self-interest generally drives decision-making in times of duress is an oversimplification, ignoring the existence and plausibility of alternatives.

The reality of history is that decisions are made; choices exist and nothing is inevitable. Attitudes like Mr. Pfaff's led to the very catastrophes he discusses.

Given the possibility of alternatives, we certainly can judge the decisions of the past and point out failures. We students of history do this daily — not to feel better about ourselves and our societies but to re-evaluate our own daily decisions and our own governmental policies. Were our only goal to place blame, we could all just close our books, throw up our hands and go home, expecting the very worst.

JEFFREY COHEN
Hamburg, Germany

JOHN CRABB,
Femey-Voltaire, France

Restricting Guns

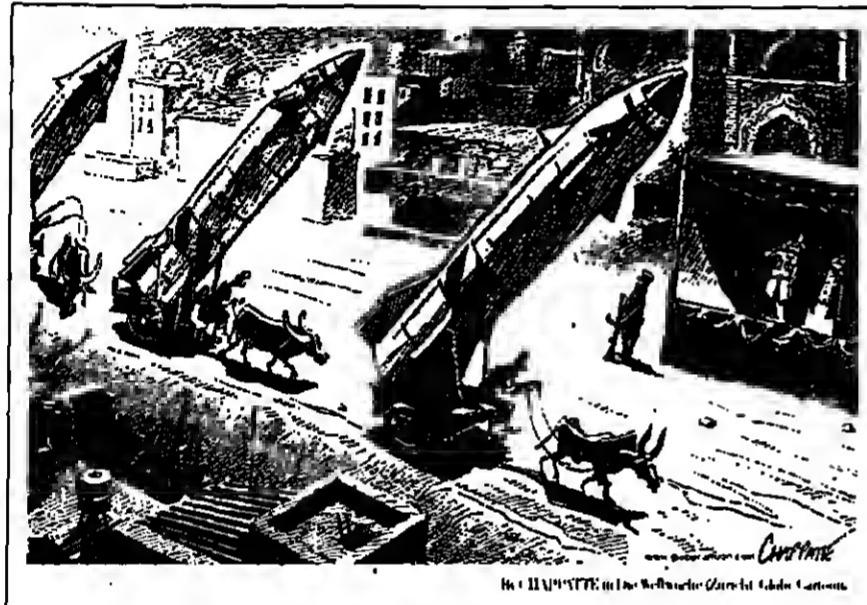
Regarding "Gun Lobby Adds Some Firepower" (June 9):

Let's say, as the National Rifle Association suggests, that violence in America is due not to guns but to lenient judges, gratuitous violence on television, loss of family values and so on. This is the very reason to keep guns out of the hands of millions of people.

We don't let children play with matches, do we? Because of terrorists, we must submit to X-rays and friskings at airports. Because of drunken drivers, the legal drinking age has gone up in America and there is a legal blood-alcohol limit for driving.

What is wrong with restrictions on gun purchases? Even if it does not work every time, what is the problem with a waiting period? What's the hurry?

CATHERINE FITZSIMONS,
Lutry, Switzerland

**BOOKS****A WIDOW FOR ONE YEAR**

By John Irving. 537 pages.
\$27.95. Random House.

Reviewed by Barbara Kingsolver

MOST writers wouldn't hazard a novel about writers; for fear of self-indulgence. But most writers aren't John Irving. His characters can beguile us onto thin ice and persuade us to dance there. His instinctive mark is the moral choice stripped bare, and his aim is impressive. What's more, there's hardly a writer alive who can match his control of the omniscient point of view.

In "A Widow for One Year," Irving has written circles even around himself: This hefty novel full of imagined writers comes complete with samples of their ostensible work, including the entire first chapters of a literary best-seller and a detective novel, the texts of four world-famous children's books, and synopses of several mediocre efforts. While all these passages do have a certain Irving-ness about them, each one is in character and convincing — apparently. A week after finishing the novel, I caught myself scanning my daughter's bookshelf for "The Mouse Crawling Between the Walls" before remembering that the author, publisher and international acclaim are all from Irving's head.

Yes, Irving has indulged in some inside jokes: Writers will recognize the Dogged Signature Stalker, the Interviewer Who Hasn't Read the Book, the We Know You're Really Writing About Yourselfers, and, alas, I'm Actually the Casanova in Her Book guy. But these figures are incidental to the solid insights into the creation and power of

novels, which will surely be of interest to anyone who reads them.

The dedication declares the book a love story, but that's not the half of it, either. It's a murder mystery, a saga of scary boyfriends and a serviceable guidebook to the red-light district of Amsterdam. But mostly, as it tracks the protagonists, Ruth Cole and Eddie O'Hare, through 37 years of separate lives, "A Widow for One Year" lures us onto the terrain of irreparable grief and a little bit beyond.

We first meet Ruth and Eddie when they are 4 and 16, respectively, and Ruth's family is failing apart. Her mother, Marion, is frozen in grief after losing two sons in a tragedy so appalling she can't speak of it. Ruth's father, Ted, an illusrious children's book author, lost the same sons but grieves differently. He has betrayed Marion through countless drunken infidelities, and insisted on a third child — Ruth — when a better man would have recognized that his wife's maternal capacities had been shattered.

Ted's guiltless summer intern, Eddie, watches the drama cautiously while taking little lost Ruth for ice cream and fondering with hormonal love for the exquisitely icy Marion. As her final act in this tormented family, Marion seduces Eddie. It is partly retribution, partly Eddie's resemblance to her sons, that moves her to this brief engagement with the living. Then she packs up the myriad photos of dead boys that have haunted their home and walks away.

Ruth will suffer this abandonment for a lifetime. Less predictably, so will Eddie: Marion does not bury her grief in his embrace but, rather, infects him with it. Ruth and Eddie carry different torches for Marion. As a child, Ruth

subsists on her hopes and imagination, then grows up to be a highly imaginative writer; as a woman, she always falls for men that a mother could have warned her against. Eddie, as a young man riveted by one incomparable experience, becomes an unimaginative writer, rereading his 16th summer through one book after another. And he has eyes only for older women.

Irving reminds us here, as in many of his novels, that life delivers some punches from which we can't be expected to recover. But this putative love story also nurses an abiding confidence that Ruth and Eddie will find happiness — if only through the force of their peculiar loyalties. Eddie's affairs begin to look absurd by the time he is middle-aged and "older woman" means 70-something. But for Eddie, it's nearly a state of grace. In this touching passage, he tries to explain himself to a disgusted friend: "I can picture her when she was much younger than I am, because there are always gestures and expressions that are ingrained, ageless. An old woman doesn't always see herself as an old woman, and neither do I. I try to see her whole life in her. There's something so moving about someone's whole life."

Here is a bold stroke, in a world where nymphets and sexagenarian men in movie-love are beginning to wear down any other expectation. Who among us could resist this take on a woman's worth? The likes of Ruth and Eddie, so comprehensively flawed and sweetly deserving, incline a reader to invite them in, to stay.

Barbara Kingsolver, whose eight books include fiction, poetry and essays, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THE 1997 winner of the Barry Crane Top 500 — awarded to the player who accumulates the most master points in a year — was Randy Pettit of Marietta, Georgia, a 54-year-old semiretired financial planner. He sometimes arrives at a tournament without partners and teammates and relies on happenstance. His skill such that the professionals are happy to recruit him as a team member or play with him when they are unemployed.

In 1997, he attended all three national championships, 18 regional tournaments and three sectionals, far less than most of the professionals. But by the end of the year he had accumulated 2,117 master points. A perennial contender, Paul Soloway of Mill Creek, Wash., took second place. This was a

remarkable performance by Pettit, who has battled attention deficit disorder all his life. Pettit's favorite bridge memory concerns the diagrammed deal, played long ago in a Grand National Team match against strong opponents. His partner, Bill Lohmann of Atlanta, opened the West hand with one notrump. The partnership was using the superweak notrump, showing 10 to 13 high card points, as many experts do when the vulnerability is in their favor.

His opponents reached the normal four-spade contract, but en route North made a splinter bid. His jump to four clubs was an optimistic slam suggestion showing a spade fit with club shortness. Pettit, East, doubled this to show length and strength in clubs.

The idea was to suggest a club lead rather than a diamond, advise that Lohmann

did not happen to need. But guided by the double he made an imaginative rooste: He underlined his ace-king of clubs.

East won with the queen and shifted to the diamond ten. South finessed, losing to the king, and a diamond was returned.

South was a puzzled man. The normal reason for East to win the first trick with the club queen is that he has all the top honors. But West had shown 10 to 13 points, so something funny was going on.

The declarer was the central character in that old Hitchcock thriller, "The Man Who Knew Too Much." Searching for West's high card points, he finessed the spade jack. That did not work, for East produced the queen and returned a trump. South won and could not now ruff two clubs in the dummy. Still convinced that West had high cards outside clubs, he fin-

essed the heart queen and was discomfited to see Pettit produce the king, another card he was not supposed to have.

In the replay South had no useful information and had no trouble making an overtrick. The result was 13 tricks for Pettit, Lohmann and their teammates.

NORTH	EAST
♦ A J 4	♦ Q 6
♦ A Q J 10 5	♦ K 7 5
♦ K 7 4	♦ 10 9
♦ A K 7 2	♦ Q 10 9 8
+ 3	
WEST (0)	
♦ 8 7 3	♦ Q 8
♦ 9 4 2	♦ K 8 7 5
♦ K 7 4	♦ 10 9
♦ A K 7 2	♦ Q 10 9 8
+ 3	
SOUTH	
♦ 6 5 4 3	♦ Q 10 9 8 7 6 5 4
♦ 9 3	♦ Q 10 9 8 7 6 5 4
♦ A Q 5 2	♦ Q 10 9 8 7 6 5 4
♦ 4 5 4	♦ Q 10 9 8 7 6 5 4

North and South were vulnerable.

The bidding:

West	North	East	South
Pass	2 ♠	Pass	2 ♠
Pass	4 ♠	Double	4 ♠
Pass	4 ♠	Pass	Pass

West led the club two.

Philippines' Revolution: The Debate Goes On

By Philip Bowring

MANILA — On Friday, the people of the Philippines will celebrate the centenary of their nation's declaration of independence. Or will they? Politicians, especially from the outgoing Ramos administration, tried to drum up some enthusiasm for the event, with only modest success.

Does this show a lack of nationalist spirit? No, it is a question

MEANWHILE

of definition. One hundred years later, Filipino historians are still divided about the nature of their "revolution."

That is not surprising. The two best-known heroes of that revolution were Emilio Aguinaldo and Andres Bonifacio. Aguinaldo had Bonifacio executed for treason a year before the independence declaration, which was written by Aguinaldo.

Aguinaldo's first republic, with

himself as president, was declared in late 1897. But soon afterward he made a pact with Spain and ended up going into exile in Hong Kong. He came back the following May aboard an American ship after the United States had declared war on Spain.

The June 12 document was a declaration of independence from Spain. But it put the new nation's liberty "under the protection of the Mighty and Humane North American nation."

Not such a good move, it turned out. By the time the First Philippine Republic was inaugurated six months later, the United States had come to terms with Spain and assumed sovereignty over the Philippines. Aguinaldo resisted for a couple of years but later accepted U.S. rule.

Real independence was not to come until 1946, after yet another occupation, this time by Japan.

Many leading Filipino families collaborated with Japan, as they did with previous rulers.

The leader of the pro-Japan party

was the father of Niroy Aquino, the husband of Cory Aquino, who was installed as

president by the 1986 "EDSA" revolution against Ferdinand Marcos. Cory's vice president, Salvador (Doy) Laurel, was the son of the puppet president during Japanese rule. His real wartime role is disputed. "War hero" was a key part of his image, but most of his medals were fakes.

If politics and nationalism look messy, take a look at EDSA.

This unlikely word is pivotal in Filipino history. A smog- and traffic-bound Manila ring road, EDSA was the site of the "people power" revolution against Mr. Marcos. It skirts Manila's original military bases, Fort Bonifacio and Camp Aguinaldo (a nice balance there).

EDSA is an abbreviation for Epifanio de los Santos Avenue. The road is named after a nationalist historian who did more than anyone to promote the belief that Bonifacio was the inspiration and leader of the revolution. Other historians followed, and Bonifacio is now the hero of school textbooks and of most self-styled nationalists — which at least partly explains the lack of enthusiasm for the centenary of the short-lived EDSA "independence."

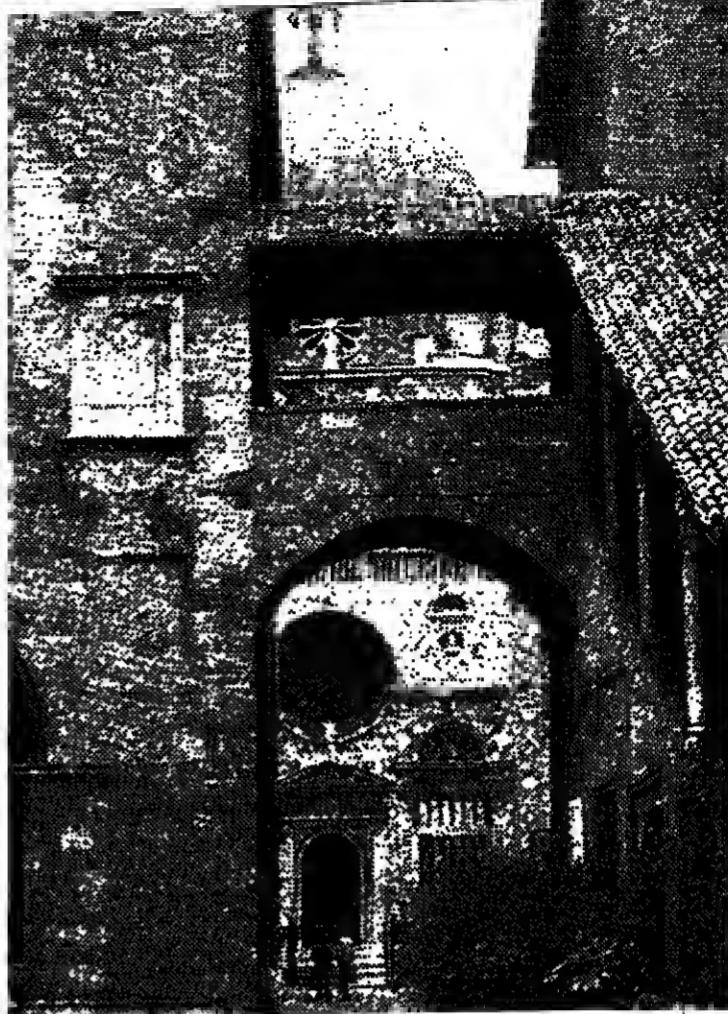
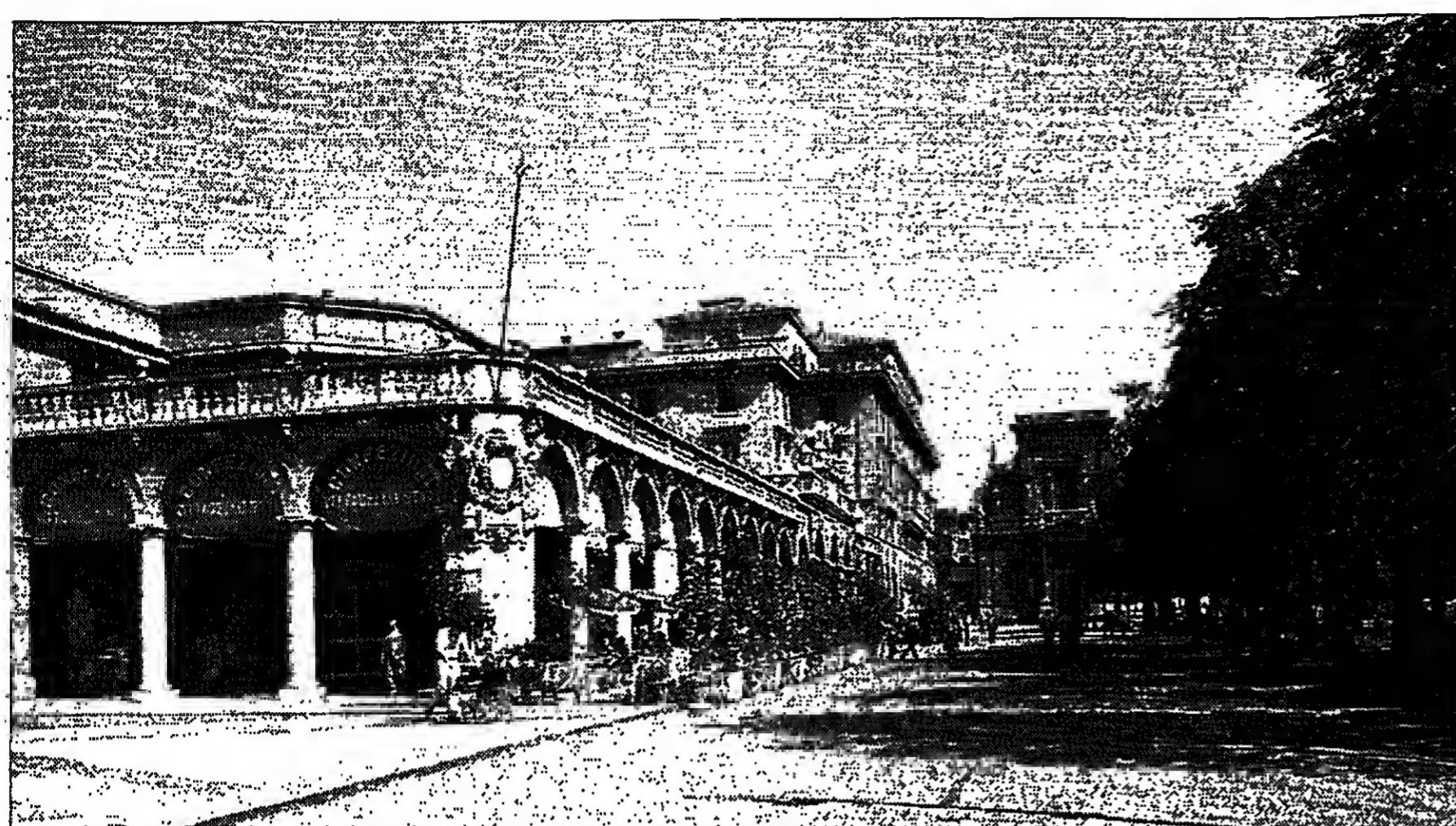
However, a bombshell has now been thrown at the Bonifacio brigade. In "Inventing a Hero: The Posthumous Recreation of Andres Bonifacio," the American historian Glenn May has concluded that much of the writings about Bonifacio are spurious. Letters and writings attributed to Bonifacio and widely quoted as testament to his revolutionary role were, says Mr. May, either definite forgeries or of unproved origin.

Filipino nationalists and radicals, suggests Mr. May, needed a hero. Aguinaldo was too compromised and too bourgeois. So a Bonifacio mythology was created.

The same people who just elected Joseph Estrada, a once hard-drinking womanizer and the first president for decades not to come from a political family, would — one must assume — have voted for Bonifacio rather than Aguinaldo.

Leisure

The Wonder of Renaissance Bergamo and Lorenzo Lotto



The "Sentierone," or Promenade, in Bergamo's Lower Town, left, and a view through the arches of the Town Hall to the Colleoni Chapel and the Basilica of Santa Maria Maggiore, which holds Lotto's marquetry-work pictures.

By Roderick Conway Morris
International Herald Tribune

BERGAMO, Italy — "It standeth on the side of a hill, having in the east and south the pleasant plain of Lombardy before it. So that from many places of this city there is as sweet a prospect as any place in Italy doth yield," wrote Thomas Coryat, who visited Bergamo when he walked from England to Venice in 1608.

Although only a bit under 50 kilometers (30 miles) from the sprawling metropolis of Milan, Bergamo has maintained many of its attractive views, and its medieval and Renaissance center is so well preserved that Coryat would readily recognize it today.

The course of its history, too, was very different from Milan's, principally because from 1428 to 1579 Bergamo was part of the Venetian Republic — indeed, was the westernmost bastion of the Serenissima's mainland possessions, on the border with the territories ruled by the Dukes of Milan and later the Spanish and Austrian Habsburgs.

From ancient times Bergamo consisted of the Upper Town, perched on a natural citadel, and the Lower Town on the plain below. It became rich in the Middle Ages and the site of a famous fair — "the greatest I ever saw in my

life, except that of Frankfurt in Germany," as Coryat recorded — that attracted traders from all over Europe. (Coryat suffered the familiar problem of arriving in town at the height of the fair without a hotel reservation: "This city," he wrote, "yielded me the worst lodging for one night that I found in all my travels out of England.")

The prosperity of the leading families allowed them to spend lavishly on the arts, leaving the city with an enviable architectural and artistic heritage.

Prominent among the major painters to leave an extensive and distinctive mark on Bergamo was Lorenzo Lotto (c. 1480-1556). This outstanding artist, much admired in Bergamo but unjustly neglected elsewhere (although his reputation has been rising in recent years), is the subject of an excellent exhibition, "Lorenzo Lotto: The Renaissance's Restless Genius," at the Accademia Carrara until June 28. More than 50 paintings from the city itself and collections around the world are included in the exhibit, which will be at the Grand Palais in Paris from Oct. 12 to Jan. 11.

For practical reasons, however, many of Lotto's key works — frescoes, large altar pieces and the amazing marquetry-work pictures he designed for the Basilica of Santa Maria Maggiore — will not be making the journey.

ON TO THE VATICAN

In 1508 he was called to the Vatican, when Raphael and Michelangelo were working there, to fresco some of Julius II's papal apartments. Unfortunately the Pope did not like Lotto's work, and the frescoes were destroyed to make way for those by other bands. This setback propelled Lotto onto his wanderings again, but Rome's loss became Bergamo's gain when he was chosen to paint the altarpiece for the San Bartolomeo Church here in 1513.

This was the start of one of the happiest and most productive periods of the artist's life. Further commissions followed — for portraits as well, which established him in this genre as well — and he remained in the city for a dozen years. In fact, so identified with Bergamo did Lotto become that a legend grew that he was actually a native of the place.

Apart from San Bartolomeo, Lotto painted two other important altarpieces in the Lower Town, at the Santo Spirito and San Bernardino churches. Both are in the old Borgo Pignolo quarter, an elegant neighborhood where the town's wealthy burghers built numerous mansions.

There, too, is the Accademia Carrara, which houses an unusually grand collection for a provincial town. It was founded by Count Giacomo Carrara in 1795, on the eve of the fall of the Venetian Republic, but survived the upheaval and was subsequently enriched by further donations from local connoisseurs. Aside from half a dozen Lots, the gallery has splendid works by Mantegna, Pisanello, Bonifacio, Carpaccio, the Bellinis, Titian, Antonello da Messina, Tiepolo, Canaletto and Guardi, among others.

A broad flight of steps leads from the Accademia up to the Sant'Agostino Gate, emblazoned with the winged lion of St. Mark, and the Upper Town (which can also be reached by funicular).

Not far from the gate is the 15th-century church of San Michele of the White Well, in which Lotto frescoed a side chapel shortly before he left the city. In 1524, a year earlier, he had completed the larger and more complex cycle of frescoes for the Suardi Oratory at Trescore Balneario, 13 kilometers to the west, the most ambitious and suc-

cessful wall paintings of his career. The chief change in the appearance of the Upper Town after Lotto's death was the construction of the massive encircling walls — the final phase of Venice's defense of this vital outpost against its Spanish neighbors — built at vast expense between 1561 and 1588.

Only the Upper Town was thus fortified, to make it evident to the Habsburgs that this was a purely defensive measure, not the prelude to territorial expansion westwards. The Venetians even invited the authorities in Milan to come and observe the nature of the works. The apparent impregnability of the completed fortress town was such that no attempt was ever made to besiege it. (It is now possible to walk the tops of the walls, a distance of nearly two kilometers, along which several of the bastions have been made into panels, the result of a felicitous collaboration between Lotto, who provided the drawings between 1524 and 1532, and the wood-inlay master Giovanni Francesco Capoferri. The principal themes are taken from the Old Testament, Lotto himself adding an incident from the story of Lot out in his patrons' original scheme, in reference to his own name.

Beside the Basilica is the sumptuous chapel tomb of Bartolomeo Colleoni (1400-1476), the renowned Bergamasque mercenary commander, who grew immensely rich in the service of Venice and ended his days a celebrated patron of the arts. The chapel houses his own equestrian monument and the tomb of his daughter, Medea, who died in her teens, and its vaults are decorated with some uncharacteristically gruesome frescoes by Tiepolo — of the beheading of John the Baptist and the flaying of Colleoni's namesake, St. Bartholomew.

A few streets away is the bumble, partly subterranean dwelling where Gaetano Donizetti (1803-1848) was born and reared. Despite his desperately poor beginnings and tragic life, the composer produced a series of joyously lyrical operas, and his memory is celebrated in a festival every September at the charming 18th-century theater now named after him in the Lower Town.

Warm Nights in Cold Reykjavik

City Gets Hot When the Summer Sun Goes Down

By Jesse McKinley
New York Times Service

REYKJAVIK — It is just after midnight right below the Arctic Circle, and if it weren't for the fact that the sunset was still visible on the horizon, the scene in the streets of party-happy Reykjavik could easily have been in lower Manhattan.

Across from the Parliament building in the world's northernmost capital, men in slick suits and women in miniskirts were standing 10 deep at the door to Skugga Barinn (the Shadow Bar), a trendy nightclub whose decor runs from zebra-skin lamps to black leather couches. Up the hill at Kaffi List, an international crowd was slugging back German beer, and singing along with Spanish pop songs. Perhaps the biggest party of all was under way on Bankastræti, one of the main boulevards, where droves of teenagers gather in temperatures just above freezing, hugging, dancing and generally celebrating the beginning of summer.

Indeed, while the rest of the Northern Hemisphere waits until the summer solstice in June to begin summer, the candle makers in Iceland have already fixed the starting date as the third Thursday of April.

I had arrived on a Saturday morning in late April, hoping to catch the early days of the new season as well as the tail end of the off-season fares. My larger goal was to catch a taste of the night life in Reykjavik, a city whose festive reputation has made it increasingly popular with weekend European partygoers hunting for an exotic alternative to played-out hot spots like Ibiza or Corfu.

Set against a backdrop of stark, snow-streaked mountains and cloud-sheathed glaciers and steadily raked by northerly winds, Reykjavik often seems to huddle meekly in the face of nature. While it sometimes still feels like a whaling town, the city is abuzz with construction, with scores of sleek new apartment rising at water's edge.

After my arrival and a nap, I set out for Reykjavik's old town. I soon stumbled into Ingolfstorg, a former city parking lot converted into a simple monument to Ingolfur Arnarson. Arn-



A view of Reykjavik and its mountain backdrop.

ars was the intrepid Viking who is credited with finding the city in A.D. 870 by tossing two wooden pillars from the hull of his ship into the water and watching where they touched ashore.

More recent civic planners have turned Ingolfstorg into the stomping grounds for the city's skateboard aficionados.

A cold Arctic wind had begun to kick up a bit, and I did a double take when I saw a pair of young lovers eating ice cream. Another clique of leather-clad teenagers were basking in the sun, watching the state-boarders' contortions and chowing down on hot dogs, one of the city's favored cheap eats.

TRAVELERS ON FOOT I grabbed a juicy beef frank with mustard (\$2) from a stand and continued on my way. Reykjavik is a good town for pedestrians: travelers on foot are likely to enjoy the picturesque side streets, cobblestone alleys and gentle hills, all features that offset the bluffs of Reykjavik's sometimes workmanlike waterfront and blocky architecture.

I wandered a block east to Austurvöllur, the old town square, dotted with budding pussy willows and bordered by two handsome sidewalk cafés, the Café Paris and the Kaffi Brennslánn. Beer was legalized in Iceland only in 1989.

The Brennslánn's blond-wood bar contains more than 100 brews. I chose Paska Björ (57), brewed by Viking, a strong concoction with a slightly woody taste.

Off I went again, and after several hours of wandering, I realized that the streets seemed strangely quiet, though my watch showed 7 P.M. I retreated to the hotel, wondering if I had somehow missed the party. What I didn't know was that things rarely kick off in Reykjavik until the sun sets, which in late April means about 10 P.M.

Three college friends came to my room at around 8 P.M. By the time we made it back downtown, the twilight had begun and the suddenly packed streets were buzzing.

Our party headed up the hill to the east of the old town along Laugavegur, the city's main shopping strip. We stopped in the Café Solon Islandus, an airy bistro packed with deep wicker chairs. The drink of choice here is coffee by the pot accompanied by Cognac-like liqueur or brandy.

We also stopped in Club 22, one of Reykjavik's oldest nightclubs, whose clientele ranges from sultry patrons at the bar downstairs to flamboyant young students dancing upstairs.

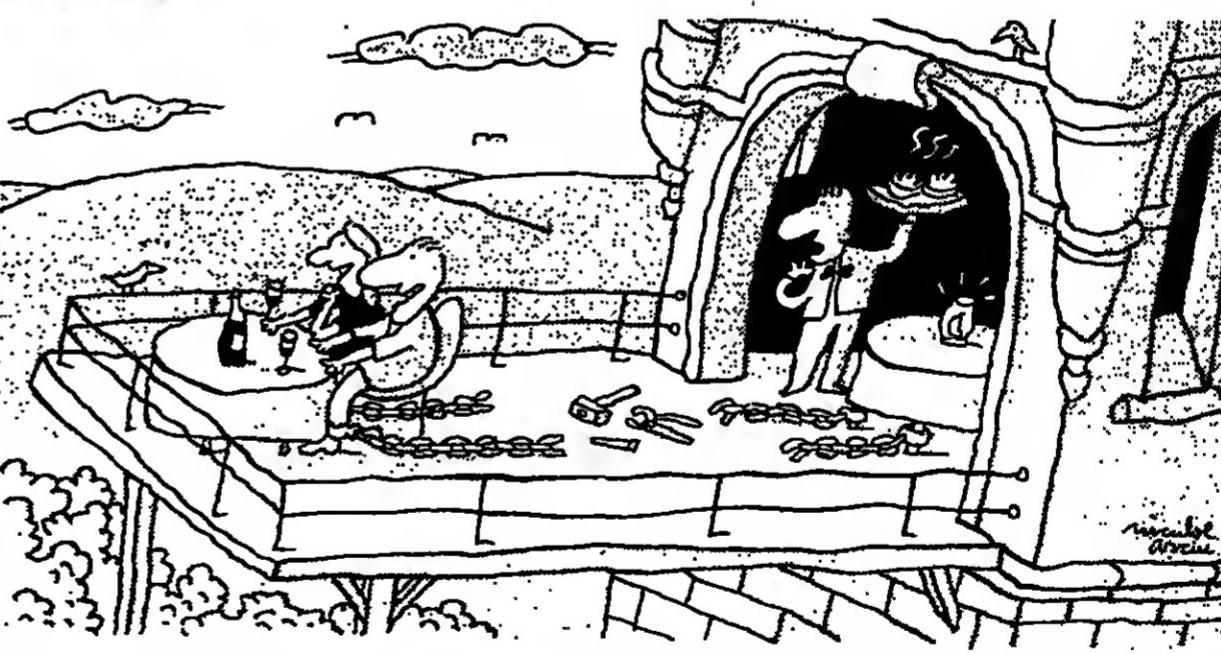
Moving toward the harbor, I found a pair of mellower establishments on the side street of Klapparstræti. At the Grand Rock Pub, the regulars are mainly actors from the nearby National Theater, and prices are suitably cheap.

Next door was the Kaffi List, a dark hip Spanish bar with marble tables, track lighting and an array of tapas. My friends crowded into a corner booth and finished the night with a Soberano, a Spanish brandy, curiously at \$6 cheaper than the bottled ashore.

Wandering home, I made my way down through the masses of teenagers on the main strip. After a final hot dog, I fell into bed.

"I'll admit I feel a tad groggy when I wake late the next morning. But I knew the way to the local curative: The outdoor public swimming pools, heated by hot springs, are one of Iceland's true low-cost treats, usually running about \$2.50.

DINING



At Last, a Table on the Terrace

In Reims, a Rare Leap for Seasonal Common Sense

By Patricia Wells
International Herald Tribune

REIMS, France — It was not the sort of comment I expected to hear, even in 1998, in a compact village of 5,000 in rural France: A matronly woman walked into the épicerie and spoke as the French are wont to do to no one in particular and everyone in general. "I looked through all my cookbooks and couldn't find a recipe for *escroûche de sardines*. So I found it on the Internet."

As France modernizes in leaps and bounds, so does the way it looks at food and dining. One area in which it has been slowest to change is in understanding the joys of dining outdoors. Oh, yes, we romantics may take the Impressionist masterworks such as "Le Déjeuner sur l'Herbe" or "Le Moulin de la Galette" as our vision of bucolic outdoor life in France, but more often than not, the reality is the opposite.

I have stopped counting the times I have dined at a restaurant with an outdoor terrace or garden, only to find that although the day was perfectly gorgeous, diners were shepherded indoors for no explicable reason.

So I was delighted recently when I arrived at the doors of Elyane and Gérard Boyer's Les Crayères — the Champagne region's finest restaurant and one of the best dining spots in France — to find that the entire dining room had been moved to the chateau's flower-filled terrace. One small step for mankind, one giant step for France. A three-star restaurant serving outdoors? Bravo, les Boyers!

Sited on the terrace of the 18th-century style chateau, overlooking a seven-hectare park of multiple varieties of trees, there is little to do but sip Champagne and peruse Boyer's modern, well-conceived seasonal menu. One will never go wrong with his signature *saumon fumé à la minute* — moist and tender morsels of fresh salmon lightly and delicately smoked teamed up with new spring potatoes in their skins and bathed in a welcoming caviar cream.

Who could not love a well-executed combination of roasted lobster, delicate risotto and fresh green asparagus points? Or a simple filet of fine-caught bar with crunchy spring vegetables surrounded with a sauce of fresh black truffles then roasted, and offered with a spring "ragout" of artichokes, basil, tomatoes, herbs and olive oil.

Desserts are equally unfussy, seasonal and palate-friendly. Try the fresh strawberries set atop an almond macaroon, in a pool of pistachio cream; a soft nougat glace with a honey and apricot sauce, or a low-calorie special — a light ricotta mousse with fruit cooked in red wine and topped with ginger jelly.

And you can find out more about the Boyers at: <http://www.integra.fr/reims/crayeres/contact.htm>

Les Crayères, 74 Boulevard Henry Vauquier, 51100 Reims; tel: 03-26-82-80-80; fax: 03-26-82-65-52; email: crayeres@relaischateaux.com. Closed all day Monday and Tuesday for lunch; closed Dec. 21 through Jan. 11. Credit cards: American Express, Diners Club, Visa. Menus: 907 and 1,067 francs, including service and wine. *A la carte*: 1,500 to 2,200 francs, including service but not wine.

via the
World

LEISURE

How's the Water? Caution Advised

By Susan Keselenko Coll

DO NOT drink the water" is the parting advice typically given to a traveler about to go to the developing world. But in this era of globalization, when more and more people are traveling for longer periods, venturing farther afield, it's not realistic to assume there are always options short of subsisting on carbonated sodas for weeks at a time.

The best advice remains the age-old and obvious: When it doubt, boil the water. Also, if practical, avoid locally boiled water; don't use ice cubes and opt for hot beverages such as tea or coffee.

Karl Neumann, a pediatrician in New York, who has edited the newsletter *Traveling Healthy* for 11 years, suggests that travelers pack electric coils to heat water in hotel rooms. "Boiling kills everything," said Dr. Neumann, who also suggested that, ideally, water be brought to a boil for five minutes.

"If water comes out of the faucet that is too hot to touch, it is generally safe," he added, emphasizing, however, that the operative word is "generally."

What if one is traveling in places where things like hot water and immersion coils are a luxury? The odds of staying healthy even in the most remote and rural areas are improving as an increasingly sophisticated batch of portable water filters hits the market.

FILTER AND PURIFY

Just a few years ago, dropping a foul-tasting iodine tablet into a glass of murky water was one of the few choices for travelers. Now a range of portable devices contain both microfilters designed to catch organisms and purifiers with iodine resins to kill viruses. Some

even come with a third component to counter the iodine taste.

Rick Appelstein, a product manager for PUR Drinking Water Systems in Minnesota, said his company had been manufacturing such filters for about six years. "It's a young industry," he said, "showing really good growth."

The company's best-selling products include the Voyageur, a purifier that weighs 11 ounces (about 300 grams) and can process up to one liter of water a minute. It retails for \$75, and is designed to kill waterborne viruses, bacteria and giardia.

A wide range of portable filters is available both through retail outlets and now through catalogues specializing in traveler's health products, such as Travel Medicina and Harris Health Kits, which designs individualized travel kits and can be found on the Internet: www.safetravel.com.

Should all else fail, old-fashioned methods of cleansing water are better than nothing. Straining water through cloth may at least eliminate some of the dirt and larger parasites, and adding household chlorine bleach — two drops to each quart of water if it is clear and from the tap; four drops if the water is cloudy or from the tap, and waiting 30 minutes, advises Dr. Stuart Rose in his *International Travel Health Guide* — will kill off certain bacteria, though not all.

There is an entire alphabet soup of waterborne creatures waiting to be swallowed, and Dr. Martin Wolfe, director of the Traveler's Medical Service of Washington, advises travelers to watch out for Giardia lamblia and cryptosporidiosis, which may at least eliminate some of the dirt and larger parasites, and adding household chlorine bleach — two drops to each quart of water if it is clear and from the tap; four drops if the water is cloudy or from the tap, and waiting 30 minutes, advises Dr. Stuart Rose in his *International Travel Health Guide* — will kill off certain bacteria, though not all.

EST such a survey put one off travel, keep in mind that water-borne illnesses are to be found in the industrialized world, as well. Outbreaks of giardia and cryptosporidiosis have occasionally been traced to municipal water supplies. Rose writes, and 400 to 600 outbreaks of food and waterborne illness are reported each year in the United States.

Susan Keselenko Coll is a writer in Washington.

MOVIE GUIDE

WILDE

Directed by Brian Gilbert, U.K.

"Wilde," an attractive, intelligent biography from the British director Brian Gilbert ("Tom & Viv") is equal parts history and unhappy love story. On the one hand, it is the account of a rebel: the great, sensation-making Irish playwright, poet, novelist and author around wit, Oscar Wilde, whose writings and convention-defying behavior shocked Victorian England.

On the other hand, it is the tragic story of an ordinary man who, like Shakespeare's Othello, "loved not wisely but too well." As Wilde, Stephen Fry's softy pudgy face seems a mirror of the author's sensitive and supercilious countenance. Fry's Cupid's-bow lips appear made to drop such bon mots as, "In this world, there are only two tragedies. One is not getting what one wants, and the other is getting it." What he got, of course, was the love of Lord Alfred "Bosie" Douglas, a callow, aristocratic youth who today would be called a gold digger. The almost too beautiful Jude Law plays Bosie as a star-struck aspiring poet who genuinely adores Wilde, although he adores in equal measure the glamour of being seen with the older celebrity. Evoked by the remarkable Fry ("Cold Comfort Farm"), Wilde's painful transition from debonair devil to doomed romantic is palpable. Fry brings



Stephen Fry in Brian Gilbert's film "Wilde."

a quiet strength to a role whose victimhood would probably be easier to portray than its dignity. Although they were doubtlessly unhealthy elements to the bond between the manipulative Bosie and his lover-mentor, Gilbert's film spends less energy anatomizing the tired stereotype of gay dysfunction than it devotes to the naive idealism that led Wilde to his demise in the first place.

(Michael O'Sullivan, WP)

A PERFECT MURDER

Directed by Andrew Davis, U.S.

You don't have to believe a word of the strained dialogue in "A Perfect Murder" to be seduced by the movie's chilly high-gloss ambience and its skillfully plotted update of Frederick Knott's play (and Alfred Hitchcock's film) "Rear Window." One vicarious fantasy the movie

gratifies is inhabiting a jaw-droppingly elegant Fifth Avenue apartment with a spectacular spiral staircase and a glorious view of Central Park. (And the movie lets you wallow around in the place just long enough so you begin to feel at home.) Another is that the truly rich who can afford such grandeur must be truly dissatisfied. (Their good fortune would be unbearable otherwise.) Steven and Emily Taylor, the attractive childless couple who live in this palace, fit the bill perfectly. As the movie opens, Emily (Gwyneth Paltrow) is cowering in bed with a handsome young painter named David Shaw (Viggo Mortensen) in his Brooklyn warehouse loft. Little does she know that her lover is a ruthless con man and gigolo operating under a false name who has spent many years in prison. Nor is she aware that her husband (Michael Douglas), a shady Wall Street bond salesman, is about to lose his shirt as one of his Asian schemes goes bust. Even worse, her husband has discovered her clandestine affair and compiled a devastating dossier on David that he is planning to use against them both at the appropriate moment.

"The Truman Show" has an inspired screenplay by Andrew Niccol, whose own "Gattaca" had the same transfixing sci-fi intensity. (Janet Maslin, NYT)

ARTS GUIDE

AUSTRIA

VIENNA Kunsthalle Wien, tel: (1) 712-04-95, open daily. To Aug. 30: "Picaso: Die Geheime Sammlung." A lesser-known aspect of Picasso's work: a collection of portraits, erotic drawings and terra-cottas given by the artist to his chef-cuisinier and housekeeper.

BELGIUM

ANTWERP Koninklijk Museum voor Schone Kunsten, tel: (3) 238-7809, closed Mondays. Continuing To July 26: "Pieter Brueghel the Younger and Jan Brueghel l'Ancien: Une Famille de Peintres Flamands vers 1600." Approximately 20 works on paper and 130 paintings by the sons of Pieter Brueghel the Elder (12 of his paintings are shown here).

BRUSSELS Musée d'Art Ancien, tel: (2) 508-3211, closed Mondays. Continuing To June 28: "Rene Magritte." 200 paintings, gouaches, drawings and objects by the Belgian Surrealist (1898-1967).

BRITAIN

LONDON British Museum, tel: (171) 323-8525, open daily. To Sept. 20: "The Print in Sturt Britain, 1603-1689." A survey of printmaking during the reigns of four Sturt kings in the 17th century, a period that saw the beginning of political caricature. www.british-museum.ac.uk

National Gallery, tel: (171) 747-2885, open daily. Continuing To Aug. 2: "Masters of Light: Dutch Painters in Utrecht During the Golden Age." Features 80 paintings by 20 artists of the early 17th century, such as Bloemaert, van Saburen and van Horst.

CANADA

TORONTO Art Gallery of Ontario, tel: (416) 879-6648, closed Mondays and Tuesdays, to Sept. 21. The Courtauld Collection: More than 70 Impressionist and Post-Impressionist works on loan from the Spanish Institute in Madrid. The collection includes paintings by Monet, Manet, Degas, Renoir, Toulouse-Lautrec, Gauguin, Boudin and others, as well as works on paper. www.ago.net

FRANCE

PARIS Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing To June 29: "L'Art au Temps des Rois Meudits." Art in Paris and the French provinces during the final decades of the royal house of the Capetians from 1265 to 1328.

Also, continuing to July 20: "Delacroix: Les Demieres Annees, 1850-1863." More than 100 animal and hunting scenes, still lifes, religious themes and Moroccan impressions by the French painter (1798-1863).

Musée d'Art Moderne de la Ville de Paris, tel: 01-53-67-40-00, closed Mondays. To Oct. 4: "Christian Boltanski: Demieres Annees." The exhibition has been conceived by the French artist (born 1944) as "e'pathie" to be followed by the spectator. It focuses on the theme of memory, loss of identity and the contrast between each man's history and the anonymity of the masses.

GERMANY

Staedelsches Kunstinstitut und Städtische Galerie, tel: (69) 60-50-98-0, closed Mondays. To Aug. 2: "Lee Ufan: Bilder und Skulpturen." Paintings and sculptures by the Japan-based Korean artist (b. 1936), one of the key artists of the Mono-ha group of critics.

GERMANY Vitra Museum, tel: (7621) 702-3200, closed Mondays. To Oct. 11: "Frank Lloyd Wright: Die Lebendige Stadt." Drawings, photos and architectural models as well as furniture and objects document the work of the American architect and designer (1867-1959). The exhibition will travel to Amsterdam, Glasgow and several cities in Germany. www.vitra.com

ITALY

FLORENCE Palazzo Strozzi, tel: (55) 26-241, closed Tuesdays. To July 28: "Caterina la Grande." About 200 works from the Hermitage Museum in St. Petersburg, which was built in the 18th century under the reign of Catherine II, empress of Russia and patron of the arts, to house her collection.

VENICE Palazzo Grassi, tel: (411) 523-1375, open daily. Continuing To June 28: "Picasso: 1917-1924: The Italian Voyage." Works created by Picasso following his 1917 trip to Rome, where he worked on decor, stage curtains and costumes for the Ballets Russes.

LUXEMBOURG Benque Generale du Luxembourg, tel: 352-42-42-25-74, closed Saturdays. To July 10: "European Artists in Glass: History to Modernism." More than 200 pieces by European glassmakers between 1840 and today, including objects by Gallé, Daum, Baccarat and Venini. www.bgl.lu

NETHERLANDS Rijksmuseum, tel: (20) 573-21-21, open daily. To Aug. 30: "The Secret Unlocked: German Furniture Opened." Nine pieces of furniture created by cabinet-makers from the end of the 16th to the end of the 18th century. The pieces contain ingenious drawers, secret compartments and many other surprises.

NETHERLANDS

ROTTERDAM Architectuurinstituut, tel: (010) 440-1200, closed Mondays. To Aug. 9: "Rethinking the Modern Proposals for the Museum of Modern Art." The New York museum is going into an extensive renovation and expansion program. The submissions of 10 architects are exhibited with models, plans, elevations and diagrams.



From Paris to Singapore: Chagall's "Cubist Landscape," 1918-1919, is part of a modern art exhibition.

SWEDEN

STOCKHOLM Nationalmuseum, tel: (8) 686-42-50, closed Mondays. Continuing To Sept. 27: "The City as Vision of Horror or Delight." Depiction of Stockholm through the eyes of artists and architects from the Middle Ages to the present day. www.nationalmuseum.se

SWITZERLAND

GENEVA Musée Rath, tel: (22) 310-52-70, closed Mondays. To Sept. 13: "La Peinture Suisse Entre Realisme et Ideal, 1849-1905." In the second half of the 19th century, a new generation of painters emerged, whose realist visions evolved toward symbolism. The exhibition brings together paintings by Arnold Bocklin, Ferdinand Hodler, Giovanni Segantini and Felix Vallotton.

LUGANO Villa Favaria, tel: (91) 972-1741, open Fridays, Saturdays and Sundays. To Nov. 1: "Theatre of Desire: The Art of Alexandre Benois and Leon Bakst." Recreates the world of Diaghilev's Ballets Russes through the work of the two Russian artists: Benois (1870-1930) designed many productions before working with other theaters, including La Scala. The work of Bakst (1866-1924) on 12 productions evoked Egypt, the Orient and the Romantic era. Costume and stage designs, original costumes and book illustrations are on display.

SWITZERLAND

ZURICH Kunsthalle, tel: (1) 551-6765, closed Mondays. To Aug. 23: "The Bernhard Mayer Collection." From the collection of the German-born art dealer (1866-1946), a selection of works by Ronner, Cezanne, van Gogh, Picasso and Jawlensky.

UNITED STATES

SINGAPORE Singapore Art Museum, tel: 332-2222, closed Mondays. To Sept. 13: "The Origins of Modern Art in France." More than 70 paintings and sculptures by French Impressionists and Post-Impressionists traces the evolution from figurative to abstract art between 1880 and 1930. Also included are works by Feuerstein and Surrealist artists.

SPAIN

VALENCIA IVAM Centre Julio Gonzalez, tel: (38) 386-30-00, closed Mondays. To Sept. 6: "Tal-Cot." More than 50 paintings and 20 drawings as well as a sculpture by the Breton painter (1903-1985). The exhibition features self-portraits, recurring themes in his works and shows how the artist ended up reconciling abstraction and abstraction.

UNITED STATES

HARLEM Art Institute of Chicago, tel: (312) 443-2800, open daily. To Aug. 23: "Songs on Stone: James McNeill Whistler and the Art of Lithography." The exhibition explores the relationship between Whistler's lithographic images and his work in oil, pastel, watercolor and etching. The 200 works include nocturnes, bustling shop fronts in Chelsea and Paris and portraits, including the haunting depictions of his dying wife. The exhibition will travel to Canada in the fall. www.artic.edu

UNITED STATES

HOUSTON Museum of Fine Arts, tel: (713) 639-7300, closed Mondays. To Aug. 23: "Intimate Encounters: Love and Domesticity in 18th-Century France." Small-scale depictions

of scenes of everyday life during the reign of Louis XV (1723-1774). More than 45 paintings by Watteau, Boucher, Chardin, Fragonard and Greuze.

NEW YORK

METROPOLITAN MUSEUM, tel: (212) 570-27-91, closed Mondays. To Sept. 6: "Sir Edward Burne-Jones." In commemorating the centenary of Burne-Jones's death, the museum presents more than 200 oil paintings, watercolors and drawings, as well as tapestries, stained glass, tiles, painted furniture and jewelry that reflect the romantic, medieval subject matter that suffused the British artist's work. www.metmuseum.org

SWITZERLAND

SAN FRANCISCO San Francisco Museum of Modern Art, tel: (415) 357-4000, closed Mondays. To Sept. 6: "Keith Haring." Brings together 100 works that trace the evolution of the American graffiti from the early drawings to the large paintings, including those salvaged from New York subways. www.sfmoma.org

WASHINGTON

NATIONAL GALLERY OF ART, tel: (202) 737-2115, open daily. Continuing To July 12: "Degas at the Races." 40 paintings and pastels, 60 drawings and 20 sculptures reflect Degas's fascination with horses.

CLOSING SOON

June 13: "American Photographs: The First Century." High Museum of Art, Atlanta.

June 14: "Anish Kapoor." Hayward Gallery, London.

June 14: "Jewels From a Photographic Collection." Van Gogh Museum, Amsterdam.

June 14: "Paul Klee." IVAM Centro Julio Gonzalez, Valencia, Spain.

June 14: "The Art of Holy Russia: Icons From Moscow, 1400-1650." The Royal Academy of Arts, London.

June 14: "The Swimmer in the Econo-mist (1997/1998)." A painting suite by James Rosenquist. Deutsche Guggenheim, Berlin.

June 14: "Honore Lannuier, Parisian Cabinetmaker" and "Elegant China Ware." Metropolitan Museum of Art, New York.

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INTERNATIONAL

Nigeria Moves Toward New Clash

Compiled by Our Staff From Dispatches

LAGOS — Opposition groups and Nigeria's new military regime appeared headed toward a confrontation as authorities hinted again Thursday that planned pro-democracy protests would be stopped with force.

"Such demonstrations are unnecessary at this point in time," said Lagos' military administrator, Colonel Mohammed Marwa. "This is a time for prayers."

The protests and a call for a nationwide strike Friday — initially intended to mark the annulment of presidential elections on June 12, 1993 — have taken on added significance three days after General Abdulsalami Abubakar's rise to power as the country's latest military ruler.

Refusing to grant demonstration permits and warning against the protests, Colonel Marwa told government opponents Thursday, as he did Wednesday, to "avoid any situation that would invite

the use of force." General Abubakar has angered Nigeria's opposition by offering only a vague pledge to continue a transition to civilian rule that began under General Sani Abacha, the dictator who died of a heart attack Monday.

Despite promising to turn the government over to civilians by Oct. 1, General Abubakar appeared to be consolidating power and eliminating potential rivals.

Opponents determined to push General Abubakar and the army out of power say they will challenge the new leader's mandate in court.

Gani Fawehinmi, a Lagos attorney and one of the country's best-known opposition activists, said he would file a suit against the general. Mr. Fawehinmi said there was nothing in Nigerian law to say that a chief of defense staff succeeds the head of state.

"The empty maiden address of Gen-

eral Abubakar has confirmed that there is no hope for Nigeria in Abacha's successor," said Mr. Fawehinmi, speaking at a press conference on behalf of the umbrella opposition group, the Joint Action Committee for Nigeria.

He said the group would go ahead with demonstrations in Lagos on Friday.

A combination of fear of violent repression by the police and apathy among a weary population has often limited the success of protest demonstrations. The police routinely fire into crowds of demonstrators in Nigeria.

Local financial markets, meanwhile, gave a cautious thumbs-up to General Abubakar. The naira strengthened more than 2 percent as hopes that the general would fulfill his promise to quit in October stemmed capital flight.

The naira traded on the open market at 87.80/88.80 to the dollar against 91.50/92.50 on Wednesday. (AP, Reuters)



Felicis Limonell/The Associated Press

Student demonstrators arriving at the Indonesian Parliament on Thursday to call for reforms and lower prices.

ASIA: Region's Economic Collapse Seems to Be Accelerating

Continued from Page 1

The tidal wave of bad news is fraying nerves here, as people have begun taking their troubles into the streets. In South Korea, tens of thousands of workers have left their jobs late last month to protest impending layoffs. In Hong Kong, a noisy crowd of 200 apartment owners marched on the government to complain about the plunging value of real estate. In Indonesia, where the privation is by far the worst, rioters turned their capital, Jakarta, into an inferno of gutted shops and cars.

The prime minister of Malaysia, Mahathir bin Mohamad, summed up the frustrations of the region in a speech in Tokyo last week when warned that Asia's travails could provoke a "guerrilla war" against Westerners, whom he accused of seeking to profit from the downturn by taking control of Asia's economies.

If anything, foreign sentiment toward Asia has turned even bleaker in the past two weeks, with the slide in the yen. Japan's economic malaise has dire implications because many analysts regard it as the locomotive that could propel Asia's recovery.

The fear among investors is that a chronically ill Asia will infect the U.S. economy, which has so far seemed blithely unconcerned about the meltdown across the Pacific. Now, though, there are troubling symptoms: American companies dependent on sales to Asia are reporting anemic earnings, and overall, exports from the United States declined 3.4 percent in the first quarter of 1998.

Nor is relief in sight. After making bold predictions that Asia would bounce back in six months, most economists and analysts now agree it will be flat for its back for at least another year. A full recovery could take up to five years.

Hard times have also aggravated

political tensions across the region, fracturing a public consensus that favored aggressive, growth-oriented policies — even if it meant sacrificing political liberties. In the most spectacular example, those tensions contributed to the ouster last month of President Suharto, who had ruled Indonesia with an iron grip for more than three decades.

While Malaysia's political situation appears more stable, some analysts said it could be the next flash point, as Mr. Mahathir tries to salvage an ambitious development program in a collapsing economy. Malaysia shares Indonesia's problem of latent tension between natives and ethnic Chinese people, a minority of the population who control a large portion of the economy.

Even in Korea and Thailand, where leaders identified with discredited old practices were swept out in favor of more reform-minded politicians, tensions remain. Political leaders are facing a backlash from a public desperate for relief from the economic pain.

"They've never had to face this kind of thing before in Asia," said David K.P. Li, chairman of the Bank of East Asia in Hong Kong.

Sometimes it seems that the politicians cannot do anything right.

In Hong Kong, the government announced a seven-point stimulus package that aims to bolster tourism and soothe the property market. Critics, including Mr. Li, derided the measures as "too little, too late." In Malaysia, Mr. Mahathir criticized the central bank for setting interest rates too high, which he said strangled the economy. But he was later contradicted by his own deputy prime minister, Anwar Ibrahim.

Much of the tension can be traced to the role played by the International Monetary Fund, which has put together a \$100 million rescue package for Indonesia, South Korea and Thailand. Far from being

viewed as a neutral disburser of funds, the IMF is often seen as a sort of fifth column in Asia — blamed for everything from high interest rates to the mayhem in Jakarta.

Defenders of the fund said it has succeeded in forcing countries like South Korea and Thailand to purge excesses from their economies — such as unregulated banks and "crony capitalism," in which well-connected business people receive sweetheart deals. Under pressure from the IMF, even Indonesia's new president, B.J. Habibie, is going after the excesses of his predecessor, Mr. Suharto.

Koreans who know better know that without the IMF, the government would have had to declare a moratorium," said Richard Samuelson, executive director of SBC Warburg Dillon Read in Seoul.

But critics said the fund's fiscal and monetary prescriptions — which favor high interest rates and stable exchange rates, even at the cost of recession — are strangling some Asian economies by choking off credit.

"A lot of people are questioning whether the IMF's policy is squeezing the economy dry," said an executive at a major Thai bank. "You're no longer just squeezing the cronies," he said. "You're making it impossible for normal businessmen to do business."

For the immediate future, though, Japan may be the single biggest determinant of how long Asia's torment will last. Without a revival of consumer spending in Japan, analysts say, exports in the rest of Asia will continue to sag. And the weaker yen will continue to bubble other regional currencies.

"If Japan doesn't solve its problems, the region is in big trouble," said Rajiv Malik, an economist at Jardine Fleming International Securities in Singapore. "America thought Korea was a problem, but Japan is like a bomb a hundred times more powerful than Korea."

NATO: Air Operations Ordered Near Kosovo as Warning to Serbs

Continued from Page 1

saber-rattling by the international community, which fears the conflict may soon overwhelm neighboring Albania and Macedonia as well. Many ethnic Albanians live in Macedonia.

In the worst-case scenario, officials worry that two alliance members, Turkey and Greece, could be drawn into a confrontation that could engulf much of Southeastern Europe.

Mr. Solana said the alliance was trying to coordinate its military plans with diplomatic initiatives by other players.

Foreign ministers of the eight major industrial democracies will discuss Kosovo at a meeting in London on Friday. Mr. Milosevic is expected to visit Moscow next week for talks with President Boris Yeltsin.

"The world has learned its lessons from Bosnia," said Britain's defense secretary, George Robertson. "The international community now knows it must be united, firm and determined from the earliest possible moment in dealing with the Balkans."

European officials said that in contrast with its stand in the Bosnian war, the United States has been notably reticent about taking a lead role in promoting an early resolution of the crisis.

These officials cited the reluctance of the Clinton administration to be drawn into new military commitments during an election year, when about 6,000 American soldiers are still on peace-keeping duty in Bosnia.

"We believe a diplomatic solution is best for Kosovo," said the defense secretary, William Cohen.

While he chastised President Milo-



sevic for "his indiscriminate use of force," he also warned Kosovar Albanians not to misinterpret NATO's air exercises as a signal of support for their separatist cause and urged them to avoid "provocations" that could inflame the conflict.

A senior U.S. official said the NATO air exercises would include simulated bombing runs and helicopter missile attacks against hostile targets. But he cautioned against seeing the decision as a prelude to direct intervention, saying, "This is an exercise, not a rehearsal."

Germany's defense minister, Volker Ruest, said defense planners would select targets for air strikes across Yugoslavia, though he ruled out cities or other civilian areas.

Military sources said the targets would focus on command and control centers that the Yugoslav armed forces

are using to direct "scorched earth" operations.

Mr. Ruest said other future options would include the imposition of a no-fly zone in order to ground the Yugoslav air force and to enforce an "exclusion zone" that would ban the presence of all heavy weapons.

Just two weeks ago, NATO foreign ministers gave orders to alliance defense planners to study the plausibility of sending up to 20,000 troops to areas in Albania and Macedonia to monitor their borders with Kosovo.

The purpose of such a move was to prevent fighting from spilling across neighboring frontiers.

But alliance teams that traveled to the region reported the mission would be nearly impossible to carry out in the mountains along the border.

Instead, Klaus Nanmann, head of the NATO Military Committee, gave a strong recommendation to use air power. He said studies showed that well-executed air raids could halt the conflict.

"If we were assigned the task of enforcing an end to the fighting — this naturally applies to both sides, the Serbs and the Kosovo Liberation Army — we could ensure that goal with air strikes just as we did in Bosnia," he said.

■ A Yugoslav Warning

The Serbian deputy prime Minister, Vojislav Seselj, warned NATO countries on Thursday that Yugoslavia would defend itself against military intervention by the alliance. Reuters reported from Belgrade.

Mr. Seselj, an ultranationalist radical allied with President Milosevic, said at a news conference the threat was serious.

■ A Yugoslav Warning

and to keep a lookout for pro-trade Democrats we can trust in the crucifix.

However, Bob Doyle, a Democratic fund-raiser whose clients tend to be pro-business, said that corporations have yet to "open their piggy banks for Democrats." "We are trying to mice those shafts," he said, "but it's not happening yet."

A number of corporations involved in trade with China were particularly disturbed by a letter signed by 152 Republicans, including the entire House leadership, calling on Mr. Clinton to abandon his trip to that nation until allegations that waivers on technology exports were influenced by campaign contributions are fully investigated by the Justice Department and Congress.

"It's a little bit scary," said Paul Huard, senior vice president of the National Association of Manufacturers. "The younger Republicans tend to have a more protectionist view or to be susceptible to a protectionist argument."

The comments by business leaders have provoked a firestorm both on Cap-

itol Hill and in the conservative religious community. "We are disappointed and our feelings are hurt," said the House whip, Tom DeLay, Republican of Texas.

"We have completely turned around the government in a new direction, and we still have people in the culture of Washington who cannot recognize that."

Christina Martin, a spokeswoman for Mr. Gingrich, said the leadership has been pushing pro-business bills. "Here is a friendly reminder for disgruntled D.C. business groups: The Republican Party is the party of small business, mom-and-pop storefronts and mainstream entrepreneurs, not out-of-touch K Street lobbyists. Are these types truly happier with the Democrats?"

A major point of contention is the House-passed Freedom From Religious Persecution Act. It would ban exports to foreign agencies charged with persecution, cut off nonhumanitarian aid and require U.S. opposition to loans by the IMF and other multilateral agencies to countries accused of persecution.

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His comments echoed the observation

a day earlier by the Federal Reserve

Board chairman, Alan Greenspan, that America's current expansion was "as impressive as any I have witnessed."

POLICY: Business Is Unhappy With Republican Conservatives

Continued from Page 1

The IMF legislation faces opposition from some Republicans who ideologically oppose to the multilateral agency.

Social conservatives also are insisting that the legislation include anti-abortion provisions that could prompt President Bill Clinton to veto the measure.

"Everything went south in a big way" after Newt Gingrich, Republican of Georgia and House speaker, and other leaders "tried to make up with James Dobson and the other religious right guys," said a representative of a Fortune 500 company whose firm has given substantial support to Republican candi-

dates.

Mr. Dobson heads the conservative group Focus on the Family.

"They gave away the store and we were on the shelves," said the corporate lobbyist, who declined to be identified.

"I have told my PAC director to consult with me before making any decisions,

and to keep a lookout for pro-trade Democrats we can trust in the crucifix."

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But Japanese officials have said that the administration planned to sell dollars, adding that "fundamentally over any period of time that currencies will follow fundamentals."

He added: "The fundamental key to the yen is what happens inside Japan."

In Paris, Finance Minister Dominique Strauss-Kahn said that deputy finance ministers of the Group of Seven countries, who were meeting to discuss Russia's financial troubles, had taken no decision on concerted action to bolster the yen.

Mr. Strauss-Kahn said he "wanted to believe" reassurances from Japanese officials that the downward trend in the yen would be reversed starting next month, as earlier reforms took effect.

FRANCE: Workaholics Being Raided

Continued from Page 1

cadres. This category, often loosely assimilated with "manager," actually embraces almost a quarter of France's nearly 15 million-person workforce, including not just top executives but also nearly all skilled professionals employed in big companies.

When currency traders learned of his remarks, which suggested a hands-off U.S. approach, the yen plunged. But when the Treasury secretary's aides slipped him a note about the yen's fall, he clarified his statement, saying that intervention "is always a tool that's available."

Mr. Rubin said intervention could be "useful at times" but stopped short of

the Deutsche mark, at 1.8078 DM.

"You have a crisis in the world — Russia, China, and the rest of the Pacific," Scott Weinger, global bond chief at Payden & Rygel in Los Angeles, told Bloomberg News. "We'll see dollar strength as long as the crisis continues."

Traditors expect the Bank of Japan to intervene to help the yen, but such an effort might not stem the currency's slide over the long term.

In Beijing, a Foreign Ministry spokesman called on Japan to halt the yen's slide, but insisted that the Chinese policy of not devaluing its currency remained unchanged. The spokesman, Zhu Bangzao, also said China would back the Hong Kong dollar's peg to the U.S. dollar.

"We hope Japan and the relevant countries can face the reality and use courage and wisdom in taking effective measures to stop the further devaluation of the yen to create necessary conditions for the recovery of the economy," Mr. Zhu said.

Chinese export growth slowed in May for the first time in 22 months, according to data released Wednesday, and analysts said the weakness of the yen and of the Japanese economy were key factors.

The United States and other countries have pressed Tokyo to stimulate its economy and deregulate its financial system, hoping that renewed Japanese growth would trigger a recovery in Asia.

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Continued on Page 26

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CURRENCY & IN

No Matter What Tokyo Does, Yen Is Bound to Lose

By Gretchen Morgenson
New York Times Service

NEW YORK — The yen must fall. Even further than it has.

So say several veteran Japan-watchers. While economists argue about when and how the Japanese government might act to reverse the nation's economic slide, they say that even if the government takes decisive action, the yen will still plunge.

If Japan reports Friday that the economy contracted again in the first quarter, as is expected, economists will characterize it officially as in recession.

Severe weakness in the yen's exchange value has already taken the dollar from 135.50 yen a month ago to 143.98 on Thursday. The Japanese central bank increasingly appears incapable of stopping the plunge.

"I don't think an intervention by the Bank of Japan, even a massive one, can reverse the slide," said David Horner, a financial strategist with Merrill Lynch & Co. in New York. "The worst is yet to come."

Mr. Horner expects Japan's central

bank to try to prop up the currency soon. But he expects any intervention to be modest compared with the \$25 billion yen-buying spree by the Bank of Japan in mid-April.

As a result, the currency may rebound here and there, but the long-term outlook seems grim indeed. Mr. Horner says the yen could fall within eight weeks, taking the dollar to a rate of 148 yen.

Others agreed. "Japan is in depression," said Robert Parks, a former Wall Street economist and a professor of finance at the Lubin Graduate School of Business at Pace University in New York. "And the Japanese are not taking effective action to get out of depression."

The first thing Japan must do is give its economy some life, Mr. Parks said, to increase demand at home. The current lack of demand shows up in several ways. In May, Japanese wholesale prices fell by 2.3 percent from their level a year earlier.

Another measure is inventories. Even considering that Japanese companies normally carry two-and-a-half times as much inventory for each unit

of output as American companies do, the inventories overhang the Japanese economy today is staggering at 22.5 percent above the average level in the 1980s. Corporate inventories are now double the level of their last peak in 1992.

But it is not easy to increase the

ECONOMIC SCENE

demand for goods and services in a country where the working population is declining by one-half of 1 percent annually.

The remedy? Japan must stimulate its economy by cutting taxes and spending more on public works projects that are not boondoggles.

And, Mr. Parks argued, the central bank must finance these projects with money fresh off the printing presses.

If the bank did not create new money and instead sold debt to pay for the projects, it would merely sop up funds that might otherwise go to investment or consumption.

But revving up the printing presses is something the Japanese are loath to do. For one, it goes against a monetary

policy in place since 1990. Japan's money-supply growth, running about 4 percent last year, has come down from 20 percent in the early 1970s and 9 percent in 1990.

Printing money is also deemed inflationary by the Japanese and therefore deeply feared. Creating a fresh supply of yen would also push the currency's value down further.

Therein lies the dilemma. If the government were to let the budget deficit run bigger than this year's estimated 3.8 percent of the gross domestic product, the yen's value would fall. If the government did nothing, it would fall as well.

"The yen is tumbling either way," Mr. Parks said.

A tumbling yen could be expected to cause another bloodletting among the already wan Asian economies.

Finally, a sharply declining yen would devastate Japanese stocks, already down more than 7 percent this year.

Conclusion: Investors buying into the Japanese market in the belief that it is the bargain basement may soon learn that they are nowhere near the cellar.



Prime Minister Sergei Kiriyenko, left, conferring with an aide Thursday.

Russia to Double Credit To Shore Up Finances

By David Hoffman
Washington Post Service

MOSCOW — Russia, scrabbling to shore up its weak public finances and restore investor confidence, announced plans Thursday to nearly double planned borrowing on global credit markets, and officials hinted at a sale of some state shares in the natural gas monopoly Gazprom, one of Russia's corporate crown jewels.

The Russian stock market continued to slide after the vague statements from international finance officials meeting in Paris that, if needed, the International Monetary Fund would put together a new package for Russia. The markets had been looking for a firm signal that a Russia rescue loan was in the works. The Russian Trading System's main index closed down 3.3 percent at 178.13.

"Investors are frozen like deer in the headlights," Eric Kraus, chief strategist at Regent European Securities in Moscow told Bloomberg News.

"The market is waiting for something that obviously is not happening," Tim Johnston, executive director for marketable securities at Alfa Asset Management in Moscow, told Bloomberg.

Officials have said the IMF and Russia are in exploratory talks about new financing. The IMF has sent Moscow a list of conditions for new aid, which include off-stated goals of reducing Russia's budget deficit and improving tax collection. The steady erosion of

Russia's public finances, as well as the larger impact of the Asian financial crisis on emerging markets, has sent investors scurrying in recent weeks.

Finance Minister Mikhail Zadornov said Thursday that Russia, which had planned to borrow \$3.5 billion this year in Eurobonds issues, would raise the total to \$6 billion. Mr. Zadornov said Russia was moving to tap cheaper global credit markets, rather than borrow at home, because domestic interest rates have jumped significantly in recent weeks. So far this year, Russia has placed three separate Eurobonds denominated in Italian lire, U.S. dollars, and Deutsche marks, for a total of \$2.5 billion.

Specialists have said one of Russia's most pressing problems is the growing burden of its relatively short-term domestic debt, especially bonds known as GKO's. The interest payments on the debt have been snowballing and making it even harder for Russia to close its budget deficit. The yields on these bonds this week reached 58 percent annually, down from earlier peaks but still relatively high.

The search for additional cash has focused on plans to sell off some state-owned companies. An unsuccessful auction for the oil company Rosneft in May triggered the latest bout of investor doubts because it left a gaping hole in the Russian budget. Bidders shunned the original \$2.1 billion price tag, which has now been dropped to \$1.6 billion.

"We want to attract more investors,"

See MOSCOW, Page 19



Striking GM workers manning a picket line at the entrance to the Flint Metal Center plant in Flint, Michigan.

Mitsubishi to Pay \$34 Million in Sex Suit

Compiled by Our Staff From Dispatches

CHICAGO — Mitsubishi Motor Manufacturing of America Inc. agreed Thursday to pay \$34 million to settle a sexual harassment suit filed by the U.S. Equal Employment Opportunity Commission, the largest such payment ever.

The commission sued Mitsubishi in April 1996, alleging that the automaker allowed women to be groped and subjected to lewd jokes and behavior while working on the assembly line at its plant in Normal, Illinois.

The \$34 million is to go to more than 300 women who charged harassment at the plant.

"Make no mistake about it, the Mitsubishi situation is not unique, and no employer should assume that can't happen in my company," said the commission chairman, Paul Igasaki. "Other employers should take heed. EEOC will aggressively pursue problems like this."

The settlement, which is subject to federal court approval, also requires Mitsubishi to provide mandatory sexual harassment training to employees, revise its sexual harassment policy as necessary and investigate allegations

of harassment within three weeks.

A three-person panel will monitor the company's compliance.

The case settlement covers women who have worked at the plant since 1987. The previous record for a sex harassment case brought by the equal opportunity commission was a \$9.85 million settlement agreed to this year by Astra USA Inc., the American subsidiary of the Swedish pharmaceutical company.

The Mitsubishi women who complained contend that male workers and supervisors kissed and fondled women, calling them "whores," "bitches" and more obscene terms; displayed sexual graffiti and pictures; and demanded sexual acts, retaliating against women who refused.

Mitsubishi then came under fire for taking a hard line toward the commission suit, including financing a bus trip for 2,000 workers and managers who picketed outside the commission's offices in Chicago, more than two hours away.

The group earned a day's pay and got a free lunch.

Representatives for the government and Mitsubishi had due in court

Friday for a hearing on how settlement talks were progressing. A U.S. District Court judge, Joe Billy McDade, had encouraged a settlement of the lawsuit, and in mid-April appointed a retired U.S. Court of Appeals judge, Abner Mikva, to a special 30-day term to oversee settlement talks between the two parties.

Both sides had agreed to continue the talks after Judge Mikva's original 30-day period of oversight ended in May. Judge McDade instructed attorneys for the commission and Mitsubishi not to talk publicly about the negotiations.

The class-action lawsuit claimed that sexual harassment at the Mitsubishi plant was "repeated, routine, generalized, serious, pervasive and known to and supported by management."

A separate lawsuit filed in 1994 by 27 women, who complained of groping, fondling and other harassment, was settled by Mitsubishi last year for a reported \$9.5 million payment to the women.

Mitsubishi Motor Manufacturing is a unit of Tokyo-based Mitsubishi Motors Corp.

(AP, Bloomberg)

By Robert O'Harrow Jr.
Washington Post Service

WASHINGTON — Once thought to be as safe from prying eyes as the inside of a bank vault, details about Americans' personal bank accounts and investments now are hot commodities in the booming market for private information on the World Wide Web.

In pitches on the global network that blur the line between what is public and private, companies such as Advanced Research Inc. in Stroudsburg, Pennsylvania, tout their ability to deliver details about account balances, stock portfolios and myriad other holdings.

TR Information Services in Miami says it will take orders for such details 24 hours a day. The Pathfinder Group in Falls Church, Virginia, says it can deliver its financial reports in four days or less, a service the company markets to lawyers and law enforcement agencies.

"Use this search when bank account information is needed quickly (2 to 4 business days), and where there is a need for specific account numbers and up-to-the-minute account balances," says Pathfinder's pitch for its \$325 "Enhanced Bank Account Search."

The ability of brokers to root out such information has alarmed some banking officials, law enforcement authorities and privacy specialists, who say almost anyone with a few hundred dollars can buy confidential financial information about another individual.

The trend also raises new questions about the security of telephone banking systems designed to make life more convenient for busy consumers. While some Web sites suggest the information is gleaned from giant databases, brokers often get it over the telephone from bank and brokerage clerks, sometimes in ways that may violate the law, authorities said.

A former employee of a Massachusetts

civil lawsuits, divorces and other financial matters. Prices range from just over \$100 for a modest search to several thousand dollars for a look at banks nationwide and a report that includes information about stocks, mutual funds and safe-deposit boxes.

"I think we provide a very legitimate service," said Terry Gilbeau, president of Pathfinder Group, who cited competition in declining to describe how he obtains his information.

See PRIVACY, Page 18

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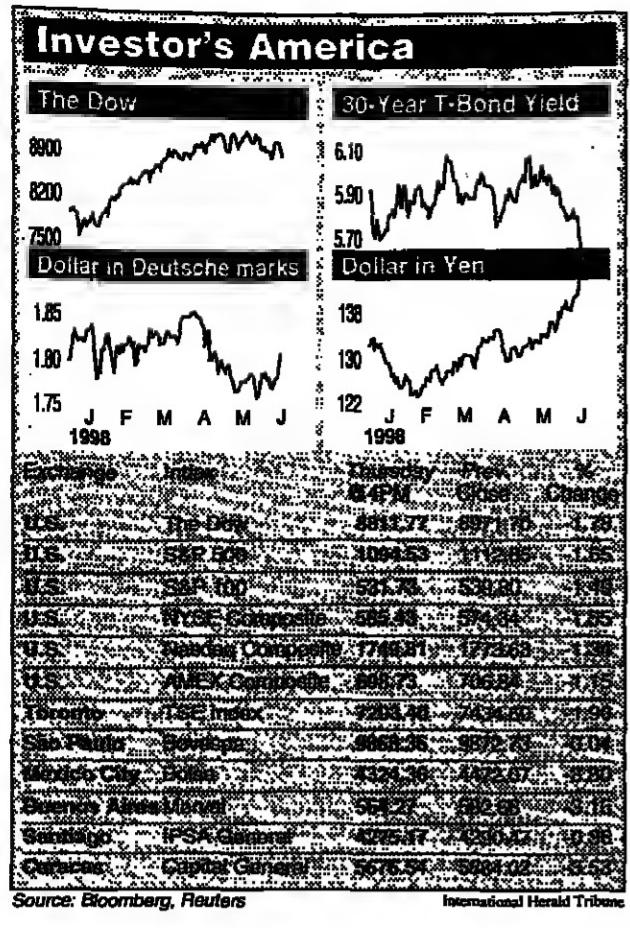
Currency	Per \$	Per £	Per F	Per D	Per C	Per Frs
Amsterdam	2.034	1.314	1.122	0.0283	0.114*	1.295*
Brussels	2.075	1.352	1.162	0.0288	0.118*	1.329*
Frankfurt	1.981	1.219	1.048	0.0282	0.113*	1.209*
London	2.001	1.242	1.062	0.0287	0.117*	1.232*
Moscow	15.422	24.355	24.047	0.871	0.987	23.825
Milan	1.7110	2.0813	1.8781	0.0281	0.112*	1.9222
New York (D)	—	1.6725	1.4855	0.0285	0.116*	1.5030
Paris	1.6725	1.4855	1.3386	0.0284	0.115*	1.5016
Tokyo	1.6917	1.5022	1.2145	0.0286	0.117*	1.5276
Zürich	1.6707	1.5041	1.2322	0.0285	0.116*	1.5173
1 ESCU	1.6913	1.5116	1.2418	0.0287	0.118*	1.5348
1 SDR	1.6729	1.5023	1.2140	0.0285	0.116*	1.5275

Other Dollar Values

Currency	Per \$	Per £	Per F	Per D	Per C	Per Frs
Argentine peso	0.9998	0.6952	0.6053	0.0285	0.114*	0.7265
Australian \$	1.6992	1.1692	1.0475	0.0281	0.112*	1.1874
Brazilian real	1.5149	1.0714	0.9108	0.0283	0.113*	0.9346
Chinese yuan	0.2773	0.1973	0.1712	0.0282	0.112*	0.1923
Czech koruna	31.23	21.70	18.75	0.7155	0.8726	20.94
Danish krona	2.4195	1.7057	1.4618	0.3065	0.3645	1.5468
Egyptian pound	3.9455	2.7944	2.3645	0.7155	0.8726	2.4195
Fr. francs	5.4674	3.9455	3.3502	1.1729	1.3386	3.6354

*4 P.M. and Toronto rates of J.P.M.O.: not quoted. N.A.: not available.

a To buy one pound; b To buy one dollar. *Units of



GM and Chrysler Court Airline

By Laurence Zuckerman
New York Times Service

NEW YORK — Chrysler Corp. and General Motors Corp. are nearing an agreement to pay a monthly fee for five years to Pro Air, a start-up airline based in Detroit, in exchange for unlimited passage on the carrier for their employees.

The pending deal is one of the first attempts by major companies to counter the high air fares charged by the major airlines.

It will help Pro Air, which is not yet a year old and flies to just half a dozen destinations, to compete against Northwest Airlines, the dominant carrier in Detroit. And it will save Chrysler as much as \$3 million a year and GM up to \$6

million a year, they said.

While the terms of the agreements have largely been completed, Chrysler and GM are waiting for assurances from city authorities that certain improvements will be made at Detroit City Airport, where Pro Air is based.

None of the parties would disclose financial details. "We are hoping to get it closed by Friday," Peter Rowe, a GM spokesman, said of the agreement.

The deal comes as the last-minute walk-up fares paid most often by businesses are at record levels and there is heightened concern in Washington about the lack of competition at many major U.S. airports.

Analysts say the Pro Air deal would be the first time that major

corporations paid an airline a guaranteed monthly retainer on a long-term basis. "This is the first intervention by major corporations to lower costs and provide some competition at a fortress hub," said Kevin Mitchell, chairman of the Business Travel Coalition, a corporate advocate who helped broker the agreement.

Pro Air flies two 146-passenger 737 jets from Detroit to Philadelphia, Newark, New Jersey, Indianapolis, Baltimore, and, in the winter, to Orlando and Fort Myers, in Florida. It charges \$59 to \$79 one way for a coach seat, and up to \$164 for first class. Since Pro Air began flying on July 4, Northwest has matched its prices on every route, reducing walk-up fares by as much as 85 percent.

Asia Trouble Sends Stocks Into Tailspin

Compiled by Our Staff From Dispatches

NEW YORK — Worries that Asia's financial crisis will become even worse sent foreign investors to the haven of U.S. Treasury bonds on Thursday, while stocks were battered by expectations for the Asian trouble to slow profit growth.

The price of the benchmark 30-year bond rose 23/32 point to close at 106 23/32, sending the yield to a record low 5.65 percent from 5.70 percent Wednesday.

The Dow Jones industrial average, meanwhile, closed 159.93 points lower at 8,811.77, and the Standard & Poor's 500 index ended 18.32 points lower at 1,094.53.

Declining issues outnumbered advancing ones by a 4-to-1 ratio on

the New York Stock Exchange. "Asia is weakening, the U.S. probably is going to slow, and what does that mean for earnings? Maybe 5 percent earnings growth this year, if that," said Arthur Micheletti, chief investment strategist at Baird, Biel & Kaiser.

Comments on Wednesday from Alan Greenspan, the Federal Reserve Board chairman, continued to drive the markets Thursday. Mr.

U.S. STOCKS

Greenspan said that a decrease in profitability could drive stocks lower as investors adjust to lowered expectations.

He also indicated that the central bank saw no need to raise interest rates because the Asian crisis is acting as a brake on U.S. growth, alleviating concern that a tight labor market will cause inflation to perk up.

That, along with an inflow of cash fleeing unstable foreign markets, sent bond prices higher.

Prospects for Asia's economic situation to get worse before it gets better had the biggest impact on oil and technology stocks Thursday.

Oil shares sank as crude oil prices fell near a 10-year low on skepticism that production cuts will be enough to offset a worldwide supply glut and slowing Asian demand.

Texaco fell 1 1/2 to 56 1/2, and Exxon declined 3/4 to 68 1/16. Halliburton, an oil services company, fell 2 7/16 to 42 1/4.

Computer makers and chip makers also fell on prospects for weak demand.

Aerium, a maker of semiconductor testing equipment, fell 3 15/16 to 7 9/16 after saying second-quarter earnings would be "significantly below" analysts' estimates because of fewer orders.

The Asian crisis has had a deeper impact on the semiconductor industry, and our customers that expected and will likely have a more prolonged impact," said Joseph Levesque, president and chief executive of the company.

Dell Computer fell 1 to 82 11/16 and Applied Materials fell 1/2 to 28 1/4.

The Nasdaq composite index closed down 23.50 points at 1,749.75.

Philip Morris fell 1% to 36 1/4 after a Florida jury awarded a smoker's family more than \$1 million in damages.

Amazon.com rose 8 1/4 to 62 1/4 after the on-line book retailer said it was expanding to include music.

(Bloomberg, AP)

Dollar Hits an 8-Year High Against the Yen

Compiled by Our Staff From Dispatches

NEW YORK — The dollar surged against other major currencies Thursday, hitting an eight-year high against the yen on dwindling market expectations of intervention to prop up the faltering Japanese currency.

The dollar continued to race ahead against European currencies, meanwhile, on concerns that Russia could be the next economy to falter.

The U.S. treasury secretary, Robert Rubin, told the Senate Finance Committee that the yen's weakness "can only be remedied by restoring economic strength in Japan," and then went on to say that intervention has had limited impact.

The dollar rose to 143.98 yen in 4 P.M. trading

from 141.58 yen on Wednesday. It rose to 1.8078 Deutsche marks from 1.7955 DM, to 6.0635 French francs from 6.0215 francs, and to 1.4955 Swiss francs from 1.4858 francs. The pound fell to \$1.6275 from \$1.6295.

Concern that Asian companies will struggle to pay their debts to Japanese banks also under-

FOREIGN EXCHANGE

mined the yen. Russian securities sell on speculation other governments would not lend Russia enough to prevent a ruble devaluation and a debt default. Germany is Russia's largest lender and trading partner, so financial turmoil in Russia

undermines investor confidence in German financial assets and the marks to pay for them.

The dollar also surged against the Canadian dollar, shoving the Canadian currency to a record low 67.97 U.S. cents from 68.19 cents on Wednesday — its lowest level since it became the currency in 1871.

Canadian investors worried that the weakness in Asia will reduce demand for Canadian goods.

Expectations for the Bank of Canada to hold rates steady also undermined the Canadian dollar. In addition, falling commodity prices hurt the currency because overseas buyers need fewer dollars to pay for commodities bought from Canadian suppliers. (Market News, Bloomberg)

Very briefly:

• Ziff-Davis Inc. agreed to buy Walt Disney Co.'s 50 percent interest in FamilyPC, a computer magazine for families that the two companies owned. Terms were not disclosed. The magazine, started in 1994, has a circulation of 400,000.

• U.S. retail sales rose 0.9 percent in May, posted by a spending spree on cars and trucks, the Commerce Department said. The advance, to a seasonally adjusted \$224.6 billion, was the seventh consecutive increase.

• Woolworth Corp. shareholders voted down a proposal from a vocal shareholder group that the sporting-goods retailer consider selling its German businesses and use the money to buy back stock.

• The Federal Communications Commission voted, 4 to 1, to allow the sale of cable television set-top boxes by retail outlets such as Circuit City Stores and Best Buy Co. Inc.

(Reuters, AP, Bloomberg)

Murdoch Gives Up TV Guide

The Associated Press

NEW YORK — Rupert Murdoch's News Corp. said Thursday it was giving up full control of TV Guide, selling a majority stake in the best-selling U.S. weekly magazine for \$2 billion to a cable channel guide operator controlled by Tele-Communications Inc.

Under the deal, United Video Satellite Group Inc. plans to use the TV Guide name for the Prevue Channel, its on-screen channel listing service seen in more than 50 million U.S. cable homes.

United Video will own TV Guide, and News Corp. will get a 48 percent stake in the company. Cable giant TCI also will have a 48 percent stake in United Video, with the rest publicly owned. News Corp. will receive \$800 million in cash and \$1.2 billion in United Video stock.

The Trib Index									
		Level	Change	% change	year to date	% change	Index	High	Low
World Index	189.77	-3.93	-	-2.03	+ 10.26				
Regional Indexes									
Asia/Pacific	77.51	-2.28	-	-2.86	+ 19.32				
Europe	231.29	-5.23	-	-2.21	+ 19.81				
N. America	243.95	-4.16	-	-1.68	+ 12.95				
S. America	126.84	-0.92	-	-0.71	+ 15.61				
Industrial Indexes									
Capital goods	235.48	-4.31	-	-1.80	+ 14.00				
Consumer goods	226.28	-4.62	-	-2.00	+ 7.89				
Energy	206.58	-4.81	-	-2.28	+ 5.96				
Finance	135.89	-3.23	-	-2.32	+ 10.52				
Miscellaneous	142.88	-2.26	-	-1.56	+ 4.80				
Raw Materials	204.62	-4.20	-	-2.01	+ 22.35				
Service	202.13	-3.88	-	-1.88	+ 15.96				
Utilities	167.04	-2.15	-	-1.27	+ 0.10				

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 260 internationally investable stocks from 25 countries.

Compiled by Bloomberg News.

U.S. STOCK MARKET DIARY

Indexes

Most Actives

NYSE

Standard & Poors

Industrials

Transport

Utilities

Finance

Nasdaq

Small Stocks

Non-U.S.

International

AMEX

Trading Activity

NYSE

Nasdaq

AMEX

Dividends

Stock Splits

REVERSE STOCK SPLIT

INCREASED

NAC Re Corp

YEAR-END

AMERICAN

UNCHANGED

New Issues

New Lows

Dividends

Company

PER AND REC PAY

REGULAR

Honda to Increase Output at U.K. Plant

By John Heidrich in Tokyo from Japan

LONDON — Honda Motor Co., Japan's third-largest automaker, said Thursday it would invest £450 million (\$732.9 million) and hire 1,000 extra workers to build a new compact car at its Swindon plant in western England.

Honda hopes to increase its output at the plant to 250,000 autos yearly by 2002 from the current 150,000 cars. Honda said it would develop a new range of its Civic models and that the new small car, designed for the European market, should enter production by 2002.

Honda is now building three models in Swindon: the Civic five-door, the Civic Aero Deck and the Accord four-door. The Accords are set to begin production in July and will go on sale in October.

Trade Secretary Margaret Beckett called Honda's move "a massive vote of confidence in Britain as a center for car production."

Going ahead with the plans even as Japan's economy slumps, Honda signaled its determination to raise its presence in Europe. Unlike the

strong inroads it has made in the United States, Honda now has only 1.5 percent of the European market and does not produce a small car, the Continent's best-selling type.

Although troubled Nissan Motor Co. has long been the top-producing Japanese carmaker in Europe, with plants in Britain and Spain, Honda and Toyota Motor Corp. flush with record profits, have been hungry eyeing the market.

Toyota this year announced plans to build an assembly plant in northern France that will begin making 150,000 small cars a year in 2001. It also plans to expand its British factories, shifting production of the Corolla hatchback to Derbyshire in August and building facilities in North Wales to make engines for the French plant.

Mitsubishi Motors Corp. plans to increase output at its joint venture with Volvo AB in the Netherlands, while Mazda Motor Corp. said it had the revamped Familia/323 compact sedan it introduced this week would fuel increased sales in Europe. (AP, Bloomberg, Reuters)

Boom for Ratings as Euro Nears

Bloomberg News

PARIS — European companies are clamoring for bond ratings, which would allow investors to easily compare the soundness of rival companies in the countries adopting a single currency in January.

European companies have traditionally borrowed money without ratings, relying on their reputations in domestic markets to attract investors. Once the euro eliminates currency risks, investors will be more apt to venture across borders to find the highest yields, making credit ratings essential.

That is bringing a surge in business for the main ratings companies — Standard & Poor's Corp., Moody's Investors Service Inc. and Fitch IBCA Ltd. — which charge frequent borrowers as much as \$100,000 a year to evaluate their credit-worthiness and advertise it to investors.

"We rated about 25 European corporates on a first-time basis in 1996, near 50 in 1997 and that could be 75 to 100 for 1998," said Richard Stephan, managing director at Moody's in London. "They

want to be prepared for a single-currency market."

Though much of the information required for a rating is public, such as annual reports and earnings statements, most ratings agencies also ask for earnings projections and business strategies.

Emmanuel Dubois-Pelerin, associate director at S&P in Paris,

said it was easy for French companies to introduce 1 billion francs to 2 billion francs (\$167.2 million to \$334.4 million) issues. "If they want to raise 5 billion francs Europe-wide, they'll have to enhance their name," he said.

Money managers said ratings were essential for them to be able to decide where to put their funds amid a growing array of investment choices.

"We like to see credit ratings

where they're available," said Jeremy Yeats-Edwards, a bond manager at Baring International Fund Managers in London. "Where there aren't any, we do our own analysis. It creates a more level playing field."

The appetite of investors for European corporate debt has grown as yields on government debt have fallen to record lows. In 1997, \$74.6 billion of bonds were sold on the Eurobond market for debt denominated in foreign currencies. As of May 6, \$402.7 billion of Eurobonds had been sold this year, outstripping the \$273 billion sold at that point last year and putting the market on track to reach a record \$1 trillion of sales this year.

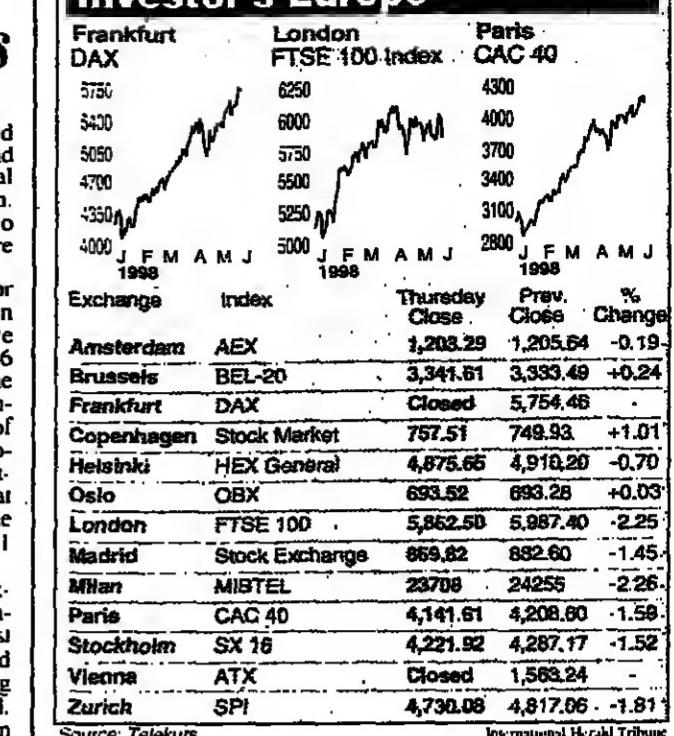
Companies seeking ratings extend from Western Europe to Central and Eastern Europe. The most active are telecommunications and cable companies and the shipping industry, Mr. Dubois-Pelerin, said.

But several large European companies have preferred to go it alone. But once they borrow more internationally, they will be forced to seek ratings, the analysts said.

Source: Telekurs

International Herald Tribune

Investor's Europe



Source: Telekurs

International Herald Tribune

Very briefly:

• European Union governments failed to approve a plan that would allow candymakers in the 15-member union to reduce the amount of cocoa in chocolate bars.

• Gucci Group's net profit fell 10 percent from a year earlier, to \$43.1 million, in the three months ended April 30. Revenue at the Italian luxury goods maker, including royalties, eased 1.7 percent to \$250.7 million.

• A unit of Vivendi SA of France has agreed to buy a 17.8 percent stake in Intan Utilities Bhd., the Malaysian water-treatment company said. Intan's major shareholder, Vincent Tan, agreed to sell 9.5 million shares to Compagnie Generale des Eaux Asia Pacific Ltd. Intan did not disclose the price.

• South Africa's central bank will enforce existing exchange controls to curb speculative activity against the rand. The Reserve Bank said some foreign-exchange traders were not complying uniformly with exchange control regulations.

• Electronic Shore Information Ltd., a provider of Internet equities data, announced a joint venture with the American on-line stockbroker E*Trade Group Inc. The new venture, E*Trade Holdings U.K. Ltd., will offer 24-hour Internet share-investing and consolidated share information service.

• Switzerland's economy grew a greater-than-expected annual 1.9 percent in the first quarter and showed its biggest annual increase for seven years as high demand at home outpaced a slowdown in exports.

Bloomberg, Reuters

Bouygues Stock Stumbles

Bloomberg News

PARIS — Bouygues SA share prices fell Thursday after comments at the annual meeting indicated that shareholders had little influence over management decisions at the largest construction company in Europe.

Bouygues' shares closed at 1,005 francs (\$167) on Thursday, down 76 francs.

The company's shareholders voted Wednesday to allow Bouygues, in case of a takeover bid, to sell up to 1 billion francs in new shares and raise its capital 10 percent for employees.

The vote came despite the opposition of some shareholders, including Vincent Bolloré, who owns a 10 percent stake in the company and is the second-largest shareholder after the Bouygues family.

The chairman and chief executive, Martin Bouygues, reiterated the company's commitment to telecommunications, which Mr. Bolloré opposes.

Mr. Bolloré, who has never taken a stake in a company he did not end up controlling, quashed speculation he would dump his stake by saying he bought his shares "for the long term." Since he revealed his stake in Bouygues late last year, shares have risen more than 50 percent.

MOSCOW: Russia to Step Up International Borrowing

Continued from Page 17

Alexander Braverman, first deputy state property minister, said.

Mr. Braverman also reacted positively to an ambitious suggestion from Rem Vykhirev, the head of Gazprom, which has a complicated two-tiered share structure, one for foreigners and another that is traded domestically.

Gazprom also has two strategic partners, Royal Dutch/Shell Group and Eni Nazionale Idrocarbo di Italia, which hold equity stakes.

Until now, the Russian government has frozen its shares and would need to "unblock" them before they could be auctioned off, Mr. Braverman said.

"We will support it," he said.

Because Gazprom dwarfs other companies in the Russian market, however, he said the decision to sell

that could be auctioned off, and would bring in billions of dollars in new revenue.

Foreign investors already hold a separate 9 percent of Gazprom, which has a complicated two-tiered share structure, one for foreigners and another that is traded domestically.

Gazprom also has two strategic partners, Royal Dutch/Shell Group and Eni Nazionale Idrocarbo di Italia, which hold equity stakes.

Published reports said the Russian government had agreed to protect the lenders from the risk of a devaluation by linking the loan to the ruble currency exchange rate.

The government has taken a few such loans in the past, but apparently this was the first time it had offered protection against devaluation.

President Boris Yeltsin has repeatedly insisted that Russia does not intend to devalue the ruble.

Continued

WORLD STOCK MARKETS

Thursday, June 11

Daily prices in local currencies.

Telekurs

High Low Close Prev.

High Low Close Prev.</

NASDAQ

Thursday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

	12 Month High	Low	Stock	Div Yld	PE	\$s	100s High	Low	100s Low	Chg
20	4000	3000	ABEIM			100	3000	2000	2000	-100
7	100	80	ACTM			100	80	60	60	-10
13	100	80	ADCO			100	80	60	60	-10
8	100	80	APACT			100	80	60	60	-10
25	100	80	ASIA M			100	80	60	60	-10
11	100	80	ATLUS			100	80	60	60	-10
10	100	80	ATMIR			100	80	60	60	-10
16	100	80	America			100	80	60	60	-10
17	100	80	America			100	80	60	60	-10
18	100	80	America			100	80	60	60	-10
19	100	80	America			100	80	60	60	-10
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96	100	80	America			100	80	60	60	-10
97	100	80	America			100	80	60	60	-10
98	100	80	America			100	80	60	60	-10
99	100	80	America			100	80	60	60	-10
100	100	80	America			100	80	60	60	-10
101	100	80	America			100	80	60	6	

Advertisement

INTERNATIONAL FUNDS

June 11, 1998

Quotations supplied by fund groups to Murexsoft Paris, t: 33-1 40 28 09 09, e-mail: ihtdata@murexsoft.fr
For information on how to list your fund, fax Katy Houri at (33-1) 41 43 92 12 or E-mail : funds@iht.com
Fax back to funds@iht.com or e-mail to funds@iht.com

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**A5 - Australian Dollars; A6 - Austrian Schillings;
 BF - Belgian Francs; C3 - Canadian Dollars; DB -
 Deutsche Marks; Dkr - Danish Kroner; Do - US
 Dollars; ECU - European Currency Unit; FF -
 French Francs; Flm - Finnish Mark; Fr - French
 Francs; IDR - Indonesian Rupiah; Id - Italian Lira;
 LF - Luxembourg Francs; o-pence - MYR -
 Malaysian Ringgit; Pes - Pesetas; SOS -
 Singapore Dollars; SF - Swiss Francs; Ska -
 Swedish Kronan; THB - Thai Bath; Y - Yen**

**S - Asked - O - Offer Prices: N/A - Not Available;
 NC - Not Communicated; o - None; S -
 Suspending; S+S - Strong Sustaining; W - Weakness;**

The marginal symbols indicate frequency of
appearance: (a) = often; (b) = rarely; (c) = irregular; (d) =
bi-monthly; (e) = monthly; (f) = annual.

SCOREBOARD

Herald Tribune INTERNATIONAL SPORTS

WORLD ROUNDUP

A Letdown for Moya

TENNIS Carlos Moya of Spain, the recently crowned French Open champion, became the latest upset victim at the Gerry Weber Open on Thursday when he lost to Hendrik Dreeckmann of Germany.

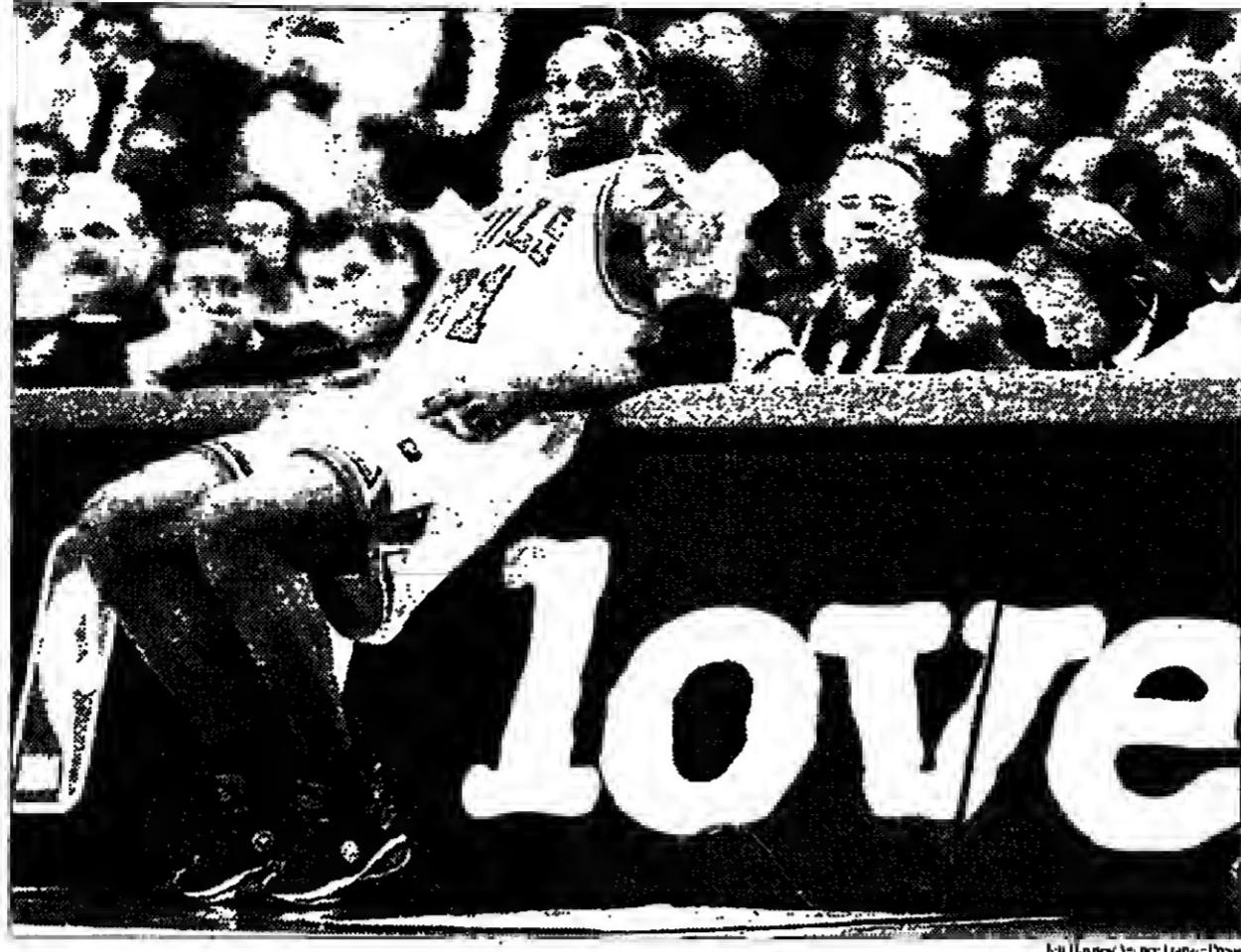
Dreeckmann served 10 double faults but attacked the net at every chance to beat the Spaniard, 7-5, 6-3, to reach the quarterfinals at the grass-court event in Halle, Germany, seen by many players as a tune-up for Wimbledon. Five seeded players have been ousted in the first two rounds, including No. 1 Petr Korda of the Czech Republic.

Yevgeni Kafelnikov of Russia, the defending champion, advanced with a 6-4, 6-3 victory over David Prinosil of Germany after trailing by three games in each set. (AP)

* In London, Pete Sampras began his Wimbledon preparations with a 6-2, 6-3 victory over Wayne Black of Zimbabwe on another wet and windy day at Queen's Club.

In his first match since losing in the second round of the French Open, the top-seeded American played through drizzle and a stiff breeze to win in 59 minutes.

The U.S. Open champion, Patrick Rafter, continuing a match suspended from Wednesday, lost 4-6, 7-5, 6-4 to a fellow Australian, Scott Draper. (AP)



Dennis Rodman of the Bulls appearing relaxed as he waited to enter the game during Chicago's 86-82 victory.

White Sox Win Slugfest With Cards**McGwire's 30th Homer Not Enough as Belle and Ventura Hit 2 Each**

The Associated Press

Mark McGwire, Albert Belle and Robin Ventura staged a home run derby as the White Sox beat St. Louis, 10-8, in Chicago.

It was one of six games that went into extra innings Wednesday — tying the record for the most in one day.

McGwire's major league-leading 30th homer helped the Cardinals take a 7-0 lead into the sixth. But Belle then hit a pair of three-run homers as the White Sox fought back.

Chicago trailed, 8-4, in the ninth with two outs and the bases empty. But they rallied again, with Belle hitting his second blast and Ventura connecting immediately after to tie the game.

Ventura then hit a two-run, game-winning homer in the 11th inning.

Rockies 9, Rangers 8 Dante Bichette became the first player in Colorado history to hit for the cycle. He completed his set of hits with a long single with two out in the bottom of the 10th to win the game.

Dodgers 1, Athletics 0 Ismael Valdes, who reportedly was close to being sent to Seattle last week in a trade for Randy Johnson, pitched a two-hitter for his first complete game since 1995.

Valdes (5-7) did not give up a hit until Man Stars singled with two outs in the seventh inning for the host Athletics. He struck out nine.

Pirates 9, Expos 6 New York won its season-high ninth in a row, overcoming a knee injury to Bernie Williams to beat Montreal at Olympic Stadium.

Williams left the game after bursting his right knee during an awkward slide. The centerfielder was expected to return to New York on Thursday for further examination.

Red Sox 10, Braves 6 John Valentin

hit two home runs in a game for the third time this season, as the anticipated pitching duel between Denny Neagle and Boston's Pedro Martinez never developed in Atlanta.

Martinez (7-2) gave up four home runs, including Andres Galarraga's 24th and 25th of the year, but still got the victory. Neagle (7-4) was tagged for a season-high seven earned runs.

Mets 3, Devil Rays 2 Al Leiter won his fourth consecutive start and New York won at home despite getting just four hits. The Mets were helped by five walks in the first inning by Tampa Bay's Rick White.

Astros 10, Tigers 3 Moises Alou and Carl Everett each drove in three runs and Houston finished off a three-game sweep at Tiger Stadium.

Pirates 5, Cubs 1 Todd Walker had a two-run single, and Minnesota strung together six straight two-out hits in a five-run first inning against Chicago.

Padres 2, Reds 1 In the only National League game of the night, Ken Caminiti hit his first homer since April 23 and Kevin Brown tied a career high with 10 strikeouts as host San Diego completed a three-game sweep of Cincinnati.

Brewers 9, Royals 6 Milwaukee emptied its bullpen on the way to a victory over host Kansas City in 15 innings.

Bronx 5, Patrick 4 Tom Glavine became the first player in Colorado history to hit for the cycle. He completed his set of hits with a long single with two out in the bottom of the 10th to win the game.

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